



REQUEST FOR QUALIFICATIONS

DEVELOPMENT PROPOSAL FINANCIAL AUDIT SERVICES

**DATE OF ISSUANCE:
October 3, 2023**

SECTION I. GENERAL BACKGROUND

INTRODUCTION

The Port Authority of Kansas City, Missouri (“Port KC”), a political subdivision authorized under Chapter 68, RSMo, and chartered by the City of Kansas City, Missouri, is seeking the services of highly qualified firms specializing in providing economic analyses of publicly assisted development projects (“Financial Consulting Firms”). Port KC seeks to identify those Financial Consulting Firms providing such services for purposes of maintaining a list of firms that can provide, on an on-call basis, independent audits of Port KC’s internal findings as to appropriate tax exemption levels and duration.

PORT KC MISSION

Port KC’s mission is to grow the economy of Kansas City’s port district through transportation, global commerce and development.

Port KC possesses broad governmental and business enterprise powers for promoting economic development. These powers include issuing bonds and taking title to real property for the purpose of acquiring, owning, constructing, and redeveloping multifamily residential projects and mixed-use projects having a multifamily residential component and that will promote the general welfare of Kansas City, Missouri.

OBJECTIVE OF RFQ

Port KC typically leases its projects back to a development entity for a defined period. While ownership of the project by Port KC renders it fully tax-exempt, Port KC uniformly requires that the development entity make annual payments-in-lieu of taxes (“PILOTS”), which PILOTS offset the tax exemption in an amount intended to render the project financially viable while not over-incentivizing or guaranteeing any particular return-on-investment for the project.

Port KC has successfully implemented and currently conducts in-house financial analyses for the purposes of determining what level and duration of incentives, if any, a particular project might warrant. That process will continue. While Port KC has no reason to believe that its processes and procedures are deficient or that it has approved incentives exceeding demonstrated need, some community stakeholders have requested that Port KC utilize third parties for purposes of conducting independent audits of Port KC’s findings as to appropriate incentive levels.

Port KC’s Board of Commissioners adopted a policy that requires a third-party audit of the internal findings for any multifamily residential project or mixed-use project having a multifamily residential component that has an estimated budget equal to or greater than \$40 Million and/or includes the construction of 150 or more residential units.

INVITATION

Interested Financial Consulting Firms are invited and encouraged to submit their Statement of Qualifications in response to this RFQ.

The Statement of Qualifications that should be utilized is attached to this RFQ as **Addendum A**. While interested Financial Consulting Firms are free to supplement with such additional materials/information as they may desire, any Statement of Qualifications not including **Addendum A** may be rejected.

SECTION II. INSTRUCTIONS AND CONDITIONS

EXAMINATION OF ALL RFQ DOCUMENTS AND REQUIREMENTS

The Financial Consulting Firms shall carefully examine all RFQ documents and thoroughly familiarize themselves with all RFQ requirements prior to submitting their Statement of Qualifications.

By submitting a Statement of Qualifications to Port KC, the applicable Financial Consulting Firm certifies that it has provided Port KC with written notice of all ambiguities, conflicts, mistakes, errors, or discrepancies that the Financial Consulting Firm has discovered in this RFQ.

TIMELINE

The following timeline shall be applicable unless modified by Port KC pursuant to addendum to this RFQ:

- RFQ Issued: October 3, 2023
- Deadline for Questions: October 13, 2023 at 5:00 p.m. (CT)
- Due Date for Statement of Qualifications: October 20, 2023 at 5:00 p.m. (CT)
- Port KC provides all Statements of Qualification to Review Committee: October 20, 2023
- Qualified vendor list released: October 23, 2023

Questions. Any general questions, requests for clarification or notices of ambiguities, conflicts, mistakes, errors or discrepancies in this RFQ must be submitted to info@portkc.com on or before October 13, 2023 at 5:00 p.m. (CT). All questions, requests and notices will be routed from to the appropriate Port KC staff member(s) without further action by the inquirer. All questions and answers will be distributed anonymously to all potential Financial Consulting Firms via an addendum to this RFQ posted on Port KC's website.

Submittal. Financial Consulting Firms shall submit one (1) electronic copy of their Statement of Qualifications to info@portkc.com on or before October 20, 2023 at 5:00 p.m. (CT). Any submittals received after that date and time will not be considered or placed on the approved vendor list.

Notwithstanding anything herein to the contrary, Port KC reserves the right to change or extend any and all dates, including the due date for Statement of Qualifications, for any reason and at any time, including after the Due Date for Statement of Qualifications shall have expired.

SCOPE OF SERVICES

Routine services are anticipated to include those listed here:

1. Project Intake/Initial Review

Port KC will provide the Financial Consulting Firm with a copy of its internal financial analysis and any information submitted by the applicable development entity, including the development Finance Application submitted to Port KC and any supporting documentation. The Financial Consulting Firm will coordinate a virtual meeting with Port KC staff to discuss the information submitted, identify any needed information to be obtained, and establish an anticipated delivery timeline for completion of the audit. While unanticipated circumstances may necessitate delays from time-to-time, Port KC anticipates that a Financial Consulting Firm will normally be able to complete the Scope of Services within 30 calendar days of Project Intake/Initial Review.

2. Audit

The Financial Consulting Firm will conduct a high-level audit that will include a review of the assumptions regarding development costs (comparing the same with available industry data for projects of a similar nature) and a review of the sources and uses, including the benchmark hurdle rates of return identified by Port KC in its internal financial analysis (both (i) stabilized return on cost and (ii) unleveraged internal rate of return, with and without incentives).

3. Sensitive Analysis (if warranted)

The Financial Consulting Firm will identify any assumptions outside of standard industry ranges, if applicable, and conduct a sensitivity analysis to identify the impact on the projected returns and the need for public incentives. If the results of the sensitivity analysis result in the Financial Consulting Firm's determination that something less than the incentives identified by Port KC (whether exemption levels and/or duration) is warranted, the Financial Consulting Firm will specifically identify the rationale supporting its determination.

4. Audit Report

The Financial Consulting Firm will prepare and provide Port KC with a memo (1-2 pages, on average) and an accompanying slide deck (not to exceed 10 slides), summarizing its findings with respect to its audit.

While the above constitutes what Port KC anticipates to the standard scope of work, additional services may be identified and included within the task order, should Port KC deem warranted. These may include, without limitation, the retention of construction estimators for the purpose of reviewing hard costs in the event the assumptions regarding development costs significantly vary from industry standards.

In the event it becomes apparent that the information utilized for purposes of evaluating the project contained any substantive errors potentially impacting Port KC's internal financial analysis and/or the Financial Consulting Firm's audit of the same, Port KC reserves the right to require that the Financial Consulting Firm revalue its findings after correcting for such errors, which may also require payment of an additional fee in the event the errors are not attributable to the Financial Consulting Firm.

Port KC will issue a proposed task order to the Financial Consulting Firm selected for a particular project, and the selected Financial Consulting Firm will submit to Port KC a proposed budget for the applicable task order. Port KC strongly prefers that the budget be expressed as a flat fixed fee. In the event the Financial Consulting Firm is unable or unwilling to commit to a flat fixed-fee structure for any particular project, the Financial Consulting Firm shall instead identify the total estimated cost and provide its hourly rate structure for the particular task order.

REVIEW PROCESS

Statements of Qualification will be reviewed by a committee selected by Port KC's President & CEO (the "Review Committee").

Upon receipt of the Statements of Qualification, the Review Committee will review the same to determine consistency with the requirements of this RFQ and may summarily reject any Statements of Qualification that are deemed non-responsive by virtue of their non-compliance or non-conformity.

Those Financial Consulting Firms meeting the requirements of this RFQ and determined to be qualified by the Review Committee will be placed on Port KC's approved vendor list and will thereafter remain on the list until such time as Port KC may elect to reissue the RFQ or terminate its approved vendor list.

Inclusion on Port KC's approved vendor list does **not** guarantee the utilization of any particular Financial Consulting Firm. Port KC shall determine which Financial Consulting Firm is to be utilized on a case-by-case basis, but the selected Financial Consulting Firm shall have the right to reject any particular task order at its discretion. No Financial Consulting Firm obtains any right in or expectation to any contract with Port KC or a vested interest or a property right in any contract with Port KC, regardless of the amount of time, effort and expense expended by the Financial Consulting Firm in responding to this RFQ. Each Financial Consulting Firm shall be solely responsible and liable for any and all costs incurred by it in responding to this RFQ.

RESERVATION OF RIGHTS IN REVIEW PROCESS

Port KC reserves the absolute and unconditional right to reject any or all Statements of Qualification received in response to this RFQ.

WAIVER OR MODIFICATION OF RFQ REQUIREMENTS

Port KC, in its sole discretion, may waive or modify everything or anything contained in this RFQ at any time including after the Statement of Qualifications Due Date. If Port KC modifies the RFQ after the Statement of Qualifications Due Date, Port KC may, in its sole discretion, solicit new qualifications in an amended RFQ from anyone or everyone regardless of whether the Financial Consulting Firm submitted a Statement of Qualifications in response to the original RFQ.

Port KC reserves the right to cancel this RFQ in part or in its entirety, and to re-solicit qualifications if it is in the best interest of Port KC as determined by Port KC at its sole discretion.

OWNERSHIP OF STATEMENTS OF QUALIFICATION

By submitting its Statement of Qualifications, the Financial Consulting Firm hereby agrees that its submittal and any supplementary material submitted in connection therewith shall become property of Port KC.

Addendum A

Request for Qualifications – Financial Consulting Firms

A. Business Identity

Business Name: _____

Business Contact: _____

Business Address: _____

Phone: _____

Email: _____

B. Business History

Years Operating: _____

Narrative of Business History/Services: _____

C. Public Sector Experience

Identify all public sector clients (state, local, and other political subdivisions) for whom the Business has provided similar services in the last 5 years:

D. Business References

Identify at least three (3) references (public sector preferable) that can attest to the work performed on their behalf by Business in the last 5 years:

Name: _____

Contact Information: _____

Nature of Services Provided: _____

Time Period of Services Provided: _____

Name: _____

Contact Information: _____

Nature of Services Provided: _____

Time Period of Services Provided: _____

Name: _____

Contact Information: _____

Nature of Services Provided: _____

Time Period of Services Provided: _____

E. Professionals

Identify key permanent staff members, including names, job descriptions, titles, and relevant educational and professional experience for those individuals that might reasonably be anticipated to perform services for Port KC. Resumes may be provided in lieu of a narrative, if preferred.

F. Conflicts of Interest

While Port KC recognizes that specific and unanticipated conflicts of interest may arise from time-to-time, is the Business aware of any overarching conflicts that might prevent it from undertaking the services identified by Port KC? If so, please identify:
