QUESTIONS/ANSWERS
REQUEST FOR QUALIFICATIONS

ASSET BROKERAGE SERVICES

Relating to

VARIOUS ASSETS OF THE

STATE OF WISCONSIN

RFQ Date: November 21, 2013
Questions/Answers Date: December 11, 2013

Issued By:
State of Wisconsin
Department of Administration
Capital Finance Office in cooperation with the Division of Facilities Development and the Division of Facilities Management
101 East Wilson Street, FLR 10
Madison, WI 53703
Telephone: (608) 266-2305
Web: www.doa.state.wi.us/capitalfinance
E-Mail: DOACapitalFinanceOffice@Wisconsin.gov

On Behalf Of:
State of Wisconsin Building Commission

ELECTRONIC SUBMITTALS DUE BY NOON (CT)
MONDAY, DECEMBER 16, 2013

Pursuant to the Request for Qualifications (RFQ) for Asset Brokerage Services released on November 21, 2013, questions on such RFQ were due to the Department of Administration Capital Finance Office by Noon (CT) on Wednesday, December 4, 2013. The following are the submitted questions and responses to those questions.

- In regards to "II. D. Proprietary Information under Conditions of Submitting a Response", the solicitation states: *"Any restrictions on the use of data contained within a response must be clearly stated in the response itself. Proprietary information submitted in response to this RFQ will be handled in accordance with applicable State open records laws and procurement regulations."* Will the State accept a statement at the beginning of our response that identifies all information in the document as proprietary?

Response: With respect to the designation of confidential and proprietary information, vendors may submit form DOA-3027 (attached) to indicate which portion(s) of the proposal are proprietary. However, note that the Wisconsin Open Records law is unlikely to allow an entire proposal to be qualified as confidential and proprietary. For example, prices always become public information and cannot be kept confidential.

- Please share with us the portfolio of assets that is under consideration for sale and/or any other transaction.

Response: Representative examples are currently listed in the RFQ. However, we are unable to share the specific and final portfolio of assets for consideration at this time.

- What is the timeframe for oral interviews?

Response: A team will review submittals to the RFQ for Asset Brokerage Services. It is expected that this team will complete their work by approximately January 15, 2014. Any oral interviews would occur shortly after that estimated date.

- Is the State interested in experience and credentials from the bidder as a corporation or specifically from the team responding to the RFP that will be conducting the work for the State?

Response: Both

- Can the State please provide the proposed contract term (# of years) for this partnership?

Response: The specific term of the contract may vary depending on the final scope of services, the class of assets involved, and/or the nature of the project for which services are retained. While not waving any rights to change the final negotiated contract term, we can advise potential vendors that a Wisconsin service contracts frequently include a one-year base term with two one-year renewals.

- What level of environmental services will be requested? Will selected firms be required to perform Phase I and Phase II assessments or will the selected firms be requested to manage consultants selected by the State?"

Response: The level and scope of environmental services required will depend on the asset and transaction types. At this time, the State will not likely be hiring separate consultants for environmental services; this may be a vendor responsibility, depending on the final scope of services.

- If the respondent is not a Minority, Woman and Disabled Veteran Owned business, are we encouraged to put together teams with MWDVO businesses, or would that violate the certification that we have not induced other firms to submit with our firm (or, that this is a "joint" proposal)?

Response: The purpose of this RFQ is to solicit responses from vendors across different areas of expertise in a variety of different asset classes. While it is possible that an individual vendor could have the necessary expertise and qualifications across all fields and all asset classes, the State is not necessarily seeking a single vendor to provide complete and comprehensive services. Rather, this RFQ is designed to identify and review the specific expertise and qualifications of individual firms. As such, the State is not soliciting joint proposals.

- The State is seeking to have their partner provide a significant number of services and tasks that the partner will not be compensated for should no transaction(s) arise. In the event the State selects multiple partners, what is the State's plan for ensuring fairness amongst the vendors in regards to compensated and non-compensated activities?

Response: If needed, the respondent/vendor should address this matter in their response to the RFQ.

- When will the announcement be made for finalists that submitted an RFQ to be selected as the State's Financial Advisor?

Response: A review team is currently reviewing the submittals to the RFQ for Financial Advisor Services for Evaluation of State Assets. At this time there no specific timeline for announcement of finalists or selection of the Financial Advisor(s).

- Would [our] submission to the Asset Brokerage RFQ disqualify us from being selected as Financial Advisor for the sale of the State's assets?

Response: No. Firms are encouraged to submit qualifications to the State for both RFQs – Financial Advisor Services and Asset Brokerage Services. However, firms selected to provide financial advisory services for a specific asset classification will not be allowed to provide the State sell-side or brokerage services for the same asset classification. Furthermore, firms selected to provide financial advisory services for a specific asset classification (heating plants, for example) may be allowed to provide the State sell-side or brokerage services for a different asset classification (telecommunication equipment, for example).

FORM DOA-3027N
DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION
(Attached)

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
DIVISION OF FACILITIES DEVELOPMENT (DFD)
DOA-3027N (R10/12)
s. 19.36(3) Wisconsin Statutes

Mailing Address: Post Office Box 7866, Madison, WI 53707-7866
Street Address: 101 E. Wilson Street, 7th Floor, Madison, WI 53703
Phone: 608 / 266-2731; *FAX*: 608 / 267-2710
http://www.doa.state.wi.us/dfd

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

The attached material submitted in response to Bid/Proposal #_____ includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released without our written approval.

Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request that the following pages not be released

Section	Page #	Topic

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY.

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The state considers other markings of confidential in the bid/proposal document to be insufficient. The undersigned agrees to hold the state harmless for any damages arising out of the release of any materials unless they are specifically identified above.

_____
Name - Authorized Representative

_____
Signature - Authorized Representative

_____
Company Name

_____
Date

This form can be made available in alternate formats to individuals with disabilities upon request.

REQUEST FOR QUALIFICATIONS

ASSET BROKERAGE SERVICES

Relating to
VARIOUS ASSETS OF THE
STATE OF WISCONSIN

Issued on November 21, 2013 by:
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On behalf of:
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ELECTRONIC SUBMITTALS DUE BY NOON (CT)
MONDAY, DECEMBER 16, 2013

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Prior Notification

Firms that intend to respond to this Request for Qualifications (RFQ) should immediately send their firm name and contact information (name, e-mail address, telephone number) to:

DOACapitalFinanceOffice@wisconsin.gov.

While not required, providing this information allows the State to distribute additional information, if needed, to potential respondents.

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I. INTRODUCTION. This Request for Qualifications **(RFQ)** for asset brokerage services has been prepared and released by the State of Wisconsin Department of Administration **(DOA)**, pursuant to Section 18.10(12), Wisconsin Statutes and on behalf of the State of Wisconsin Building Commission **(Building Commission)**. The 2013-15 biennial budget (2013 Wisconsin Act 20) includes provisions related to the sale or other transactions involving State of Wisconsin **(State)** owned property. This RFQ is for brokerage services related to the potential sale, lease, other disposition, acquisition, public- private partnership, development agreement, or other real property asset transactions and related services (collectively hereinafter "sale or other asset transaction"). Such services may include, but are not limited to, the following: (i) development of request for proposals, (ii) listing and marketing assets, (iii) environmental assessments, (iv) market value assessments, (v) analysis of proposals and appraisals, and (vi) development and/or analysis of public-private partnership agreements.

The State intends to review and evaluate all State-owned assets for possible sale or other transaction, including but not limited to, heating plants, telecommunications towers, underutilized real property assets, and capital development projects. A goal of the potential sale or other asset transaction is to (i) reduce potential liabilities and other risks the State may have with respect to certain assets, (ii) provide positive impact on the State's balance sheet, (iii) and reduce State debt.

This RFQ is an open solicitation for all firms interested in providing the State with the above services. The State may award one or more contracts as the result of this RFQ. Therefore, firms specializing in individual asset classes or specific brokerage services are encouraged to apply, regardless of whether the firm can provide comprehensive brokerage services across all asset classes.

This RFQ will result in a "no cost" contract, meaning that compensation will be based on sale or other asset transaction commissions and will not be fee-based compensation paid out of the State's operational budget.

All responses to this RFQ will be reviewed in a transparent, objective, thorough, and independent manner. Minority-owned, woman-owned, and

disabled veteran-owned firms are encouraged to submit a response to this RFQ.

A. GENERAL BACKGROUND.

The provisions of the 2013-15 biennial budget (2013 Wisconsin Act 20) allow **DOA**, with approval of the Building Commission and the Legislature's Joint Committee on Finance **(JCF)**, and/or the Building Commission with approval of the JCF, to sell or lease certain State-owned assets. 2013 Wisconsin Act 20 also enumerated several potential capital development projects requiring asset transaction brokerage services.

With respect to the Building Commission's involvement or approval of any such asset sale or other transaction listed above, this RFQ is being completed to solicit qualifications from firms that can advise the State/DOA/Building Commission regarding (i) review of assets that may be subject to sale, (ii) brokerage of assets for sale, lease, other disposition, acquisition, public- private partnership, development agreement, or other real property asset transactions, (iii) preparation of reports and analysis required by Wisconsin Statutes for such transactions, and, (vi) other brokerage services related to the above services including, for example, development of competitive solicitation procedures or bid preparation and the value determination of offers made for assets.

The State has received responses to a separate RFQ for financial advisory services in the evaluation of State assets that might be considered for sale or other asset transaction; such responses are currently under review. The State is also considering a solicitation for separate special counsel services relating to Sale or other asset transaction of State owned property. The brokerage services provider(s) selected as a result of this RFQ will work with the State, the financial advisor, counsel and other parties related to a particular asset class being considered for sale or other transaction.

B. SCOPE OF SERVICES

The scope of services for the firm, or firms, selected through this RFQ process may be wide-ranging to help the State develop a sale or other asset transaction plan.

Probable scope of service components include the following, subject to final determination by the State prior to entering into any contract:

- Assist the State and its Financial Advisor, in reviewing procedures and best practices to be followed in all phases of the processes needed for sale or other asset transactions.

- Assist the State and its Financial Advisor, with the identification and evaluation of existing State-owned assets that may be considered for sale or other asset transaction.

- Assist the State and its Financial Advisor in identifying potential strategic acquisitions that will enhance the potential sale or other transaction of assets, or otherwise maximize the debt reduction associated with such sale or other transaction.

- Assist the State and its Financial Advisor, in completing a cost-benefit analysis related to any possible sale or other asset transaction, which may be used in the final determination of assets identified for sale or other asset transaction.

- Assist the State in developing competitive solicitation procedures, bid preparation and value determination related to any sale or other asset transaction.

- Assist the State and its Financial Advisor, in reviewing, analyzing or developing public-private partnerships, development agreements or other transactions that may assist in offsetting debt in the acquisition or construction of real property assets.

- Assist the State and its Financial Advisor, in reviewing, analyzing or developing proposals for lease of State-owned real property assets.

- Assist the State in identification of potential lessors, purchasers, sellers, partners, and developers of assets and assist the State in complying with requests for information from interested parties.

- Assist the State and its Financial Advisor in completing a public bidding process or other competitive solicitation process or negotiating a final agreement with a selected proposer.

- Assist the State with preparation of reports required by Wisconsin Statutes (e.g. 16.848(1)(b)) prior to securing approval for any sale or other asset transaction. One such report requires the following components:

  - The estimated value of the property as determined by the State and by at least one qualified privately owned assessor.
  - The length and conditions of any proposed sale or lease between the State and a proposed purchaser or lessee.
  - The methodology to ensure the competitive and transparent sale of the property.

In addition, it is the State's intent that any firm selected as a result of this RFQ will not be precluded from serving as an underwriter in future sales (competitive or negotiated) of State of Wisconsin securities.

C. MINORITY, WOMAN, AND DISABLED VETERAN-OWNED PARTICIPATION. Minority, woman, and disabled veteran-owned firms are encouraged to respond to this RFQ. Any firm that wishes to be certified by the State as a minority, women or disabled veteran-owned

investment firm may directly contact the Department of Administration at (608) 267-9550 or DOABDMBD@wisconsin.gov.

D. CONTRACT ADMINISTRATION. The Department of Administration will administer the contract(s) resulting from this RFQ.

E. CLARIFICATION OF SPECIFICATIONS. If additional information is necessary to interpret the requirements of this RFQ, please direct questions by Noon (Central Time) on December 4, 2013 to Kevin D. Taylor, Capital Finance Director via the e-mail address on the cover of this RFQ. All questions received in accordance with the instructions will be answered. All questions and answers will be circulated by e-mail to all respondents who have proposed a question, all those who request in writing a copy of the questions and the responses, and all those who express intent to respond to the RFQ via process outlined on page 1 of this RFQ. If you would like to be on the Q&A circulation list send your e-mail address to Kevin D. Taylor, Capital Finance Director, via the e-mail address on the cover of the RFQ prior to the question deadline noted above.

II. CONDITIONS OF SUBMITTING A RESPONSE. As a condition of submitting a response pursuant to this request, the following conditions are understood:

A. RESPONSE PREPARATION.

The detailed requirements stated in Section III of this RFQ are mandatory. Failure by a respondent to respond to a specific requirement may be the basis for elimination from consideration during the evaluation process.

Please limit responses to this RFQ to 15 pages. A brief cover letter (two page maximum) is not subject to the page limitation. Failure to meet the page limitation will be a consideration in the evaluation process. The use of appendices that are beyond the respective page limits are allowed to "supplement" information included within the submitted response*; however, review of submitted qualifications will focus on content included within the respective page limit.*

B. RESPONSE SUBMISSION/DEADLINE. Response(s) should be submitted in PDF format and **received at the e-mail** address on the cover of this RFQ by no later than **Noon (Central Time) on Monday, December 16, 2013**. No response **received after this deadline** will be accepted. If needed, the State reserves the right to request clarifying information**. JOINT PROPOSALS WILL NOT BE ACCEPTED.**

As a follow-up, six paper copies of the response (at least one copy unbound and suitable for photocopying) must also be sent to the Capital Finance Office at the address on the cover of this RFQ. Receipt of the electronic version by the above deadline allows for these paper copies to be received anytime by Tuesday, December 17, 2013.

C. **INCURRING COSTS.** The State is not liable for any cost incurred by respondents in replying to this RFQ.

D. **PROPRIETARY INFORMATION**. Any restrictions on the use of data contained within a response must be clearly stated in the response itself. Proprietary information submitted in response to this RFQ will be handled in accordance with applicable State open records laws and procurement regulations.

E. **ORAL INTERVIEWS AND ADDITIONAL INFORMATION.** The State reserves the right to schedule and conduct an oral interview with any number of the respondents to this RFQ. The Department of Administration also reserves the right to request clarifying information subsequent to receipt of submitted qualifications and consider other information, including but not limited to, information not requested in this RFQ and other information the Department of Administration is aware of but not included in submitted qualifications.

F. **RESULTING CONTRACT.** Based on the review of qualifications and the expected scope of services, the State reserves the right to award one or more contracts as the result of this RFQ. Firm(s) selected as a result of responding to this RFQ will enter into an Asset Brokerage Service Contract with DOA. In all matters concerning this Contract, compensation for brokerage work performed will be performance based. Specifically, compensation will be funded through the transaction proceeds as the State and contractor may agree.

III. SUBMITTAL CONTENT.

A. Name and address of firm. If different from the address of the firm, the location from which the service will be provided. Please also indicate if your firm is certified by the State as minority, woman or disabled-veteran owned firm.

B. Name, phone number, cell phone, and e-mail address of individual or individuals responsible for this response who may be contacted in the event of questions or notification. Separately, name, phone number, and email address of others from your firm that may provide services under any engagement.

C. Please provide a brief resume and background (not subject to page limit) of all individual(s) listed in question #III.B. above. Individual resumes and background may be included as an appendix.

D. Describe your firm's experience with respect to the scope of services outlined in this RFQ. In addition, specifically address the following:

a. Highlight any asset class or classes (utility, telecommunication, real estate, other) in which your firm has extensive experience, and describe how that experience relates to the work and services described in the RFQ. Provide specific examples and summary of your firm's qualifications in this area.

b. Highlight how your firm can best provide these brokerage services to the State compared to other, competing firms. Provide rankings for the last three years and relevant corporate merger, acquisition, and/or disposition case study information. Include specific team member background information and identify any and all relevant or required license(s) and/or certifications for each team member (e.g. real estate broker's license, appraiser's license, surveyor's licenses).

E. Outline your understanding and experience working with state government requirements or procedures that will be applicable to any sale or other transaction related to State assets. Provide a specific case study that further highlights brokerage services your firm provided specific to any asset transactions by any state or local municipal entity.

F. Describe how the firm will ensure effective and efficient delivery of services to the State.

G. The State reserves the right to negotiate fees with the selected respondent. Clearly outline a proposed fee schedule that allows for restatement in a contractual document. The State will review and consider all formats for the required fee proposal, including sliding-scale fee schedules that incentivize the most timely, efficient, and effective delivery of brokerage services.

H. Provide the name, address, phone number, and e-mail address for two state, local municipality, public authority, or other clients that have recently utilized your firm for brokerage services similar to those described in this RFQ.

I. As noted in this RFQ, it is the State's intent that any firm selected as a result of this RFQ would not be precluded from serving as an underwriter in the future sales (competitive or negotiated) of State of Wisconsin securities. Please identify any concerns your firm may have with respect to regulations or practices in this area. If providing certain scope of services as contemplated within this RFQ causes your firm any concerns, especially in light of new municipal advisor regulations, please specifically identify such scope of services and discuss the basis of your concerns.

J. **REQUIRED CERTIFICATIONS.** Responses to this RFQ must include the following certifications (not subject to page limit):

1. CERTIFICATION OF NO CONFLICTING RELATIONSHIP**.** The respondent shall certify in writing that no relationship which would constitute a violation of Section 19.45 (6), Wisconsin Statutes, regarding a state public official or their immediate family exists. The respondent shall also certify that no relationship exists which interferes with fair competition with respect to its response.

2. FIXED PRICE AND TERMS PERIOD. All terms of the response shall remain firm for a 60-day period, commencing on the due date of responses.

3. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION.

a) By submission of this response, the respondent certifies that in connection with this procurement:

(1) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the respondent and will not knowingly be disclosed by the respondent prior to award, directly or indirectly to any other respondent or to any competitor; and

(2) No attempt has been made or will be made by the respondent to induce any other person or firm to submit or not to submit a response for the purpose of restricting competition.

b) Each person signing this response certifies that:

(1) He/she is the person in the respondent's firm responsible within that organization for the decision as to the prices being offered herein; or

(2) He/she is not the person in the respondent's organization responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the persons responsible for such decision.

4. STATEMENT REGARDING CRIMINAL ACTIONS**.** Provide a statement as to the status of any pending or resolved criminal actions under federal law or by any state against your firm or registered principals of the firm (relating to the business of your firm) within the past year.

IV. EVALUATION CRITERIA. A team will review the responses to this RFQ and its evaluation will reflect the following criteria:

A. Qualifications

- Firm's Overall Services and Experiences Related to the Sale or Other Transaction Involving Corporate and Governmental Assets (20%)
- Firm's Experience with Similar Engagements (10%)

B. Extent, Value, and Breadth of Services to be Rendered

- Evaluation of Assets (10%)
- Personnel and Staff Expertise Related to Various Asset Classes (20%)

C. General Quality of Response (20%)

D. Cost Proposal, Fee Structure, and Performance-based Measures (20%)