

REQUEST FOR PROPOSAL
FOR
FARM MANAGEMENT SERVICES

University of Illinois Foundation
January 13, 2020

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For
Farm Management Services
University of Illinois Foundation

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PROFILE OF THE UNIVERSITY OF ILLINOIS FOUNDATION

The University of Illinois Foundation (the “Foundation”) is an independent nonprofit 501(c)3 corporation that raises and receives private gifts, administers funds and manages assets to enhance the quality of the University of Illinois and its programs. The Foundation’s main office is located in Harker Hall on the Urbana-Champaign campus of the University of Illinois.

OVERVIEW OF THE FOUNDATION FARMS AND THE SERVICES DESIRED

The Foundation has acquired title to farm properties throughout Illinois over a period of years from gifts made by donors in support of the University of Illinois. The Foundation’s interests have been served effectively in recent years by contracting for its farm management needs with a professional farm management firm experienced in providing such services. The Foundation is evaluating whether this outsourced model is still optimal or if in-house farm management might be a better solution. This Request for Proposal process is expected to assist the Foundation in bringing this question to a conclusion.

The University of Illinois Foundation invites your organization to submit a proposal to provide farm management services for its 28 farm properties, totaling 6,621 acres. A map of the Foundation’s farms can be viewed in Exhibit A. The Foundation receives new gifts of farmland occasionally and the Foundation’s investment strategy may result in the sale of some new farms and retention of others.

THE REQUEST FOR PROPOSAL PROCESS AND FOUNDATION EXPECTATIONS

If this Request for Proposal (“RFP”) yields an acceptable proposal, the RFP evaluation committee will submit a recommendation to the Foundation’s Board of Directors to award that organization (hereinafter referred to as “Firm” or “Vendor”) with a contract for the services described in this document. The final decision will be in the best interests of the Foundation.

An electronic copy of this RFP document to assist in preparation of a proposal may be obtained by contacting Tim Aden at 217-244-6783; taden2@uif.uillinois.edu.

If you have questions about the information provided on the farm properties or feel that it is necessary for you to personally inspect the properties, please contact:

Kevin Noland

Associate Vice President for Treasury Services and Real Property/Assistant Treasurer

Room 400 Harker Hall

1305 West Green Street

Urbana, Illinois 61801

Phone: 217-333-7494

Email: knoland@uif.uillinois.edu

The award of this farm management contract will be for a period of five years with annually renewable options thereafter.

The Foundation’s standard farm management practice is generally in favor of cash lease arrangements with its farm operators. Creative leasing strategies that use variations such as flexible cash rents may also be acceptable. The expectation is that the practice of using cash rent leases will continue unless donor restrictions or preferences make it necessary to explore other lease types for particular farms. Four of the Foundation’s farms are currently under crop-share leases due to donor preferences. The Foundation is currently ineligible to participate in USDA Farm Service Agency programs.

TENTATIVE CALENDAR OF EVENTS

January 13, 2020	Request for Proposal Distributed
February 7, 2020	Proposal Responses Due
February 10-28, 2020	Short List Established
March 2-13, 2020	Interviews Conducted
March 20, 2020	Recommendation Finalized
April 2, 2020	Approval Requested of Foundation Board
May 1, 2020	Contract Fully Executed

PROPOSAL DEADLINE

A PDF document of each Firm’s completed proposal will be accepted up to the hour of 5:00 p.m. CST on February 7, 2020 at the following email address: realpropertymgmt@uif.uillinois.edu.

OBJECTIVES OF THIS REQUEST FOR PROPOSAL

- Offer professional farm management firms the opportunity to do business with the Foundation through a competitive process.
- Select one firm to provide farm management services for all Foundation farms.
- Obtain professional reporting suitable for presentation to the University of Illinois Foundation Board of Directors and donors.
- Receive qualified real estate sales and appraisal services as the need arises.
- Obtain advice and assistance with related matters (evaluation of mineral rights, wind and solar leases, etc.) as needed.

CRITERIA FOR SELECTION

Considerable effort will be required to submit a comprehensive proposal. While the Foundation wants to encourage participation, only the most qualified firms will be considered for the assignment in accordance with the following criteria:

- Capacity of Firm to manage all properties
- Scope of services offered by your Firm
- National presence or confirmed capability to service the Foundation's needs related to farms received in other states
- Ability to advise on other assets, such as mineral rights, wind and solar leases, etc.
- Experience, depth, and reputation of Firm's farm management staff
- Ability to produce attractive, informative annual and *ad hoc* reports suitable for presentation to the Foundation Board of Directors and donors
- Experience with evaluating and managing conservation programs
- Ability to accommodate the Foundation's need for June 30 fiscal year end reporting
- Overall fees and expenses as a percentage of gross farm income
- Ability to provide evaluations of new farmland gift properties
- Use of innovative systems, technology and current research as farm management tools
- Firm's long-term financial commitment to this service

You are encouraged to contact Kevin Noland at 217-333-7494 or knoland@uif.uillinois.edu prior to submitting a proposal if you have any questions about the established criteria for selection of a farm management firm or the process for proposal submission.

EVALUATING, ACCEPTING, AND REJECTING PROPOSALS

Your proposals will be reviewed by an RFP selection committee and evaluated in accordance with the criteria outlined in the previous section. If the RFP selection committee is interested in a proposal submitted by your Firm, you will be contacted shortly thereafter and may be requested to: a) make a formal presentation to and be interviewed by the committee and, b) disclose any potential conflicts of interest.

This RFP does not commit the Foundation to award the management contract, to pay any costs incurred in the preparation of a proposal or to procure or contract for articles of goods or services. The Foundation reserves the right to reject any or all proposals, to waive any irregularities in proposals submitted, to negotiate for terms and conditions different from those proposed and to accept the proposal deemed most favorable to the Foundation after all proposals have been examined and evaluated. The Foundation is an Equal Opportunity-Affirmative Action Institution.

If any proposal is acceptable or becomes acceptable through negotiation, the Foundation will notify the Firm stating the intent to submit their proposal to the Foundation Board of Directors for consideration and approval. Upon approval to proceed, the Foundation would negotiate a farm management contract with the successful Firm in a form acceptable to the Foundation. In the event that your proposal is not accepted, you will likely be notified by someone from the RFP selection committee. However, failure to notify you that your proposal is not to be accepted does not constitute any obligation or responsibility on the part of the Foundation.

PROPOSAL REQUIREMENTS

The proposal must include the following information:

1. **Organization**
 - a. Name and contact information of the organization
 - b. Organization type (corporation, partnership, not-for-profit, etc.) – *if you are a subsidiary of another company or entity or if any individual or other entity holds more than 7 ½ percent ownership or beneficial interest, please identify.*
2. **Description and Qualifications of the Farm Management Staff** – *be specific as to the role that each person will play.*
 - a. Resumes or descriptions of the experience of principals who will be directly involved in the management of Foundation farms.
 - b. Current Illinois license information, if applicable (Real Estate/Appraisal) – *such licenses are not required in order to submit a proposal.*
 - c. Other relevant accreditations, such as AFM, ARA, etc.
3. **Management Plan**
 - a. Information regarding your Firm’s general absentee landowner farm management philosophy
 - b. Explanation on how this philosophy is implemented in the following specific farm management areas:
 - i. cash leases and annual setting of the next crop year’s rent level
 - ii. operator selection, retention and turnover
 - iii. client reporting
 - iv. grain marketing
 - v. soil and water conservation
 - vi. environmental stewardship
 - vii. capital projects/improvements
 - c. Specific services provided by your Firm
 - d. Statement of fees and reimbursable expenses – *be specific as to the service (farm management, farmland valuations, capital projects, Foundation farm real estate taxes, etc.).*
 - e. List of references, including locations of currently managed farms
 - f. Location of the office that will serve the Foundation
 - g. Explanation of how the primary office or a satellite office would investigate and provide an evaluation of farmland in other states
 - h. Copy of your standard farm management agreement
 - i. Copy of your standard farm lease agreements
4. **Reports**
 - a. Provide examples of reports (monthly/quarterly statements, annual report of income, farm production and total return calculation for each farm property, etc.)

- b. The annual farm report as of the Foundation’s June 30 fiscal year end must be a comprehensive report suitable for viewing by the Foundation’s Board of Directors, which includes the following quantitative and qualitative elements:
 - i. Income and expenses for each farm
 - ii. Valuations for each farm and total return calculations of appreciation and cash return
 - iii. Explanation of management and stewardship efforts for the reporting period (soil tests, productivity monitoring, capital projects, environmental matters, etc.)

The proposal must be signed by an authorized official and should contain a statement that the proposal is firm for a period of at least 120 days from the RFP submission due date.

**FOUNDATION FARM MANAGEMENT AND FARM MARKETING SERVICES-PRICE
FORM AND SERVICE QUESTIONNAIRE** – Please check calculations carefully. For fee

comparison purposes, assume that each farm not identified as under a crop-share lease is receiving cash rent income of \$250 per acre.

Organization Name:

Date:

Phone:

Email:

PRICE FORM

Farm Number	County	PI	Total Acres	Tillable Acres	Annual Fees
Farm 1	Coles	104.9	113.64	60.10	\$
Farm 2	Mason	101.7	442.39	433.50	\$
Farm 3	Hancock	135.7	220.00	223.00	\$
Farm 4*	Henderson	141.8	76.85	74.18	\$
Farm 5	Piatt	139.8	260.35	233.40	\$
Farm 6	Livingston	125.9	943.06	502.00	\$
Farm 7	Livingston	125.9		383.00	\$
Farm 8	Champaign	143.9	160.00	154.92	\$
Farm 9	Champaign	140.2	142.60	141.10	\$
Farm 10*	Douglas	141.1	724.46	707.68	\$
Farm 11	Fulton	115.4	161.22	112.37	\$
Farm 12	Iroquois	120.8	120.00	114.50	\$
Farm 13	Kankakee	127.1	204.33	200.60	\$
Farm 14	Mason	125.6	202.99	194.50	\$
Farm 15	Mercer	140.4	76.40	73.07	\$
Farm 16	Ogle	138.1	166.81	106.17	\$
Farm 17	Mason	125.1	371.26	362.60	\$
Farm 18	La Salle	122.6	190.38	177.56	\$
Farm 19*	Moultrie	139.2	294.00	38.86	\$
Farm 20*	Moultrie	139.2		246.75	\$
Farm 21	Coles	133.8	360.00	331.50	\$
Farm 22	Champaign	138.9	51.61	20.00	\$
Farm 23	Iroquois	120.7	120.00	111.70	\$
Farm 24	Vermilion	140.2	124.44	115.88	\$
Farm 25	Champaign	139.4	631.28	569.33	\$
Farm 26	Montgomery	123.7	317.59	302.20	\$
Farm 27	Sangamon	140.3	74.93	70.00	\$
Farm 28	Clinton	101.8	70.00	71.85	\$

Acres 6,620.59 6,132.32

*Note that Farms 4, 10, 19 and 20 are in crop-share leases due to donor preferences.

Signature: _____

Title: _____

SERVICE QUESTIONNAIRE

1. Please describe and price any other services and associated charges that are not clearly listed in the price form.
2. What is the process your Firm would use to calculate annual valuations on the Foundation's farms?
3. What is your Firm's strategy for ensuring the Foundation receives competitive lease rates on its farms?
4. Does your Firm play an active role in farm operators' seed selection, input choices/strategies or any other aspect of farming operations?
5. Please describe your Firm's process for farm operator selection when there is a vacancy.
6. Does your Firm require farm operators to obtain proof of insurance or a bank letter of credit to ensure the Foundation receives cash rent payments when due? Do you require farm operators to carry specific types of insurance coverages? If so, which types of insurance do you require?
7. Describe your Firm's ability to assist the Foundation in its due diligence responsibilities inherent in the acceptance and disposition of farmland gifts. Can your Firm provide informal farmland evaluations for farms it will not necessarily manage after the gift is received? Describe the fees that you would assess and clearly outline how the fees are calculated. (An environmental assessment would not be part of this request).
8. What is your Firm's philosophy regarding insurance for absentee landowners like the Foundation? Explain your argument for or against insuring outbuildings. Can your Firm arrange for insurance if it is appropriate?
9. Describe how your Firm encourages sustainable farm practices, including but not limited to planting cover crops; reducing or eliminating tillage; and monitoring farm operators' crop rotation strategies.
10. What steps does your Firm take to help clients achieve an appropriate level of participation in the variety of conservation reserve programs available to landowners and farm operators?
11. Does your Firm have experience in managing organic farming operations? Please describe the extent of this experience. If requested, how might your Firm assist current farm operators in evaluating the switch from conventional to organic farming? Does your Firm have a proven strategy for attracting farmers with an interest in organic farming practices? If so, please describe.
12. List and describe any other services which may be beneficial to the Foundation but have not been specifically requested in this RFP document.

OPTION TO RENEW AGREEMENT

- This agreement shall be in full force and effect from the beginning of operations from July 1, 2020 through June 30, 2025 and from year to year thereafter (tied to the Foundation's July 1 – June 30 fiscal year) subject to an ongoing need and the continued authorization of the Treasurer of the Foundation to exercise such options.
- Any increase in management fees or other costs for each annual renewal period may increase up to but shall not exceed five (5) percent per year.
- The Vendor agrees to notify the Foundation in writing at least 90 days prior to the conclusion of the initial five (5) year agreement of its willingness to extend into an optional sixth year of services. This notification should include any proposed changes in the contract prices. If the Foundation determines this arrangement is acceptable, both parties will execute an option to renew for another year. This annual notification and optional renewal cycle may continue as described herein for as long as both parties find the arrangement to be mutually beneficial.
- The Foundation reserves the right to terminate this contract upon 30 days written notice to the Vendor.

DISCLAIMER

The information submitted herein is an introduction to the properties. While information given is believed to be correct, the accuracy, adequacy, and completeness are not guaranteed, and no liability is accepted for its inaccuracy. Interested parties may make their own investigations and determinations concerning each of these matters.

CONFIDENTIALITY STATEMENT

All RFP recipients agree to keep in strictest confidence any information furnished to it by the University of Illinois Foundation, including the Foundation name and logo. Such information is private and confidential and may only be used as provided in this RFP unless specifically authorized by the University of Illinois Foundation.

Exhibit A

University of Illinois Foundation Farms
Illinois County Locations

Ogle County
Farm 16

Mercer County
Farm 15

Henderson County
Farm 4

Fulton County
Farm 11

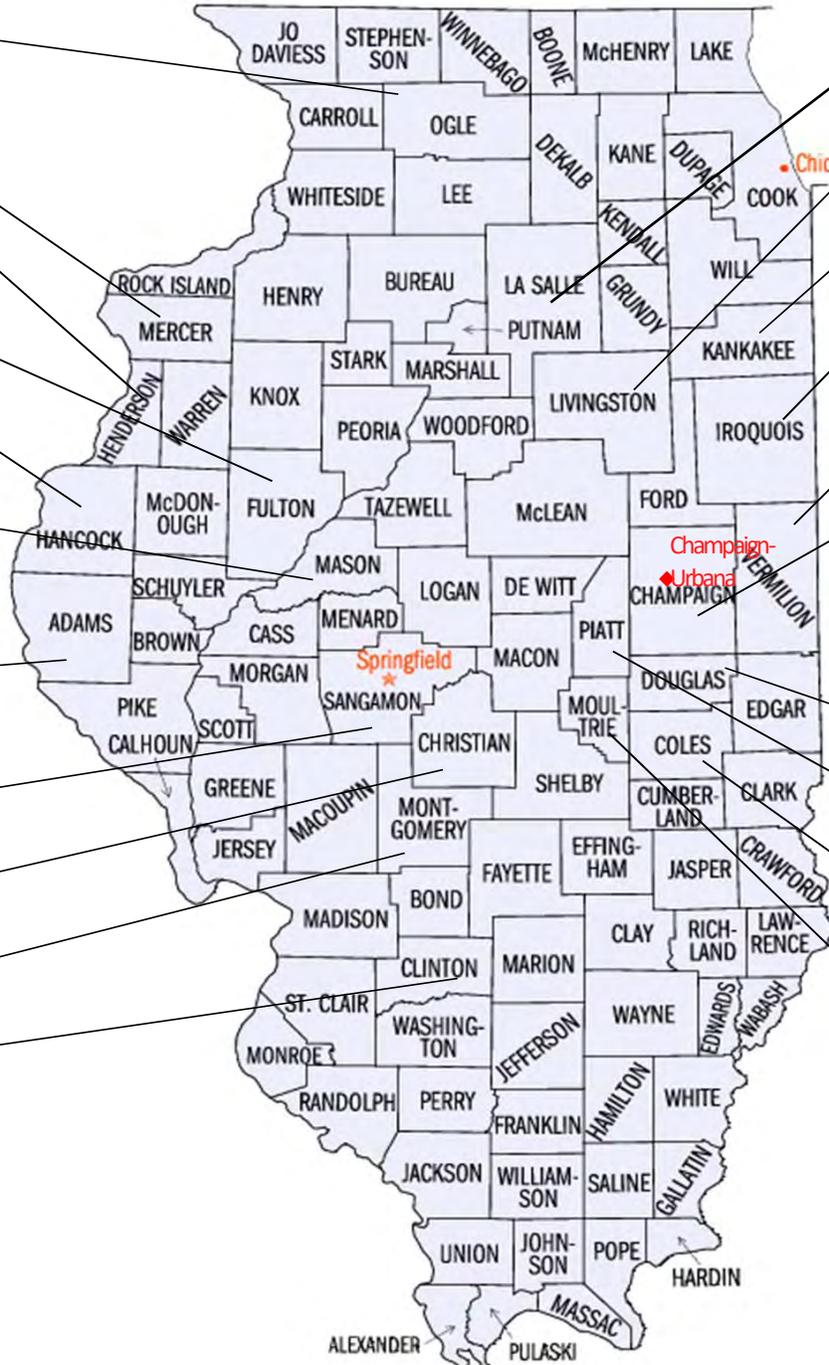
Hancock County
Farm 3

Mason County
Farm 2
Farm 14
Farm 17

Sangamon County
Farm 27

Montgomery County
Farm 26

Clinton County
Farm 28



La Salle County
Farm 18

Livingston County
Farm 6
Farm 7

Kankakee County
Farm 13

Iroquois County
Farm 12
Farm 23

Vermilion County
Farm 24

Champaign County
Farm 8
Farm 9
Farm 22
Farm 25

Douglas County
Farm 10

Piatt County
Farm 5

Coles County
Farm 1
Farm 21

Moultrie County
Farm 19
Farm 20