houston
landbank

September 30, 2019

REQUEST FOR PROPOSALS

Interim Financial Controller and Financial System Consulting

Introduction

The Houston Land Bank (HLB) presents an opportunity for qualified financial consulting firms to provide consulting expertise and short-term staff capacity support to assist the Houston Land Bank in its financial systems update. It anticipate a multi-phase approach including but not limited to interim temporary staff to review all systems/controls and current practices, forensic accounting to establish baseline historical data as needed for future transactions, provide consulting to develop proposed systems and controls, and training/implementation of new systems (with data migration if required). Through this Request for Proposals (RFP), HLB intends to attract a firm with experience and expertise in municipal government, non-profit governance, and real estate.

Historically underutilized business enterprises and MWBEs certified by the City of Houston or other comparable government entities are encouraged to submit proposals in response to this solicitation.

About Houston Land Bank

HLB is a not-for-profit local government corporation incorporated in the State of Texas, and is a component unit of the City of Houston. HLB is committed to being a strong, innovative partner in the equitable redevelopment of Houston neighborhoods, and as a good neighbor to the communities in which we work to provide affordable homes for low- and moderate-income Houstonians.

HLB is the new name of the Land Assemblage and Redevelopment Authority (LARA), established as a local government corporation for the City of Houston in 1999 to facilitate the redevelopment of vacant and/or tax-delinquent residential real estate in targeted Houston neighborhoods. Throughout its history, the organization was staffed by city employees as directed by a volunteer Board of Directors. There were minimal operational expenses, and primary program funds were dedicated to developing an inventory of vacant single-family home lots and selling those lots to builders to build affordable housing. In the nearly 20 years of operation, the organization had amassed more than 1400 lots, and nearly 700 of them have been sold.

P.O. Box 131106, Houston, Texas 77219
281.655.4600

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In 2018, LARA realigned its strategic activities to better serve neighborhood revitalization activity in the City of Houston and changed its name to the Houston Land Bank to reflect its core function of affordable housing; its amended bylaws and articles of incorporation were passed by City Council in August 2018. The HLB Board of Directors continues to include representatives from the City of Houston, Harris County, and the Houston Independent School District. HLB receives local funds from the City of Houston, and anticipates additional revenue from the sale of lots and homes. At this time, HLB receives no Federal or State funds.

The 2019 Fiscal Year included a significant organizational transition including the hiring of founding staff, establishing the organization as a fully operational component unit, and engaging in new programs in partnership with the City of Houston in addition to its core lot sales programming. As a local government corporation, HLB is not required to file a tax return, employs a staff of 7 with a gross payroll of $500,000 for FY2019 as part of a $2.8 Million operational budget.

Financial systems for the organization were set up at the beginning of the LARA operation, and were set up to handle fairly straightforward real estate purchases and sales. There were no staff costs (staffed by city employees), and the majority of operating costs were minimal. Bookkeeping and accounting services have been handled by contract staff and vendors. Given the increase of transactions, and the breadth of new activities for the organization, HLB has determined that intensive review and support of the system's financial systems and controls are necessary, including consideration for digital software utilized to manage the transactions. Additionally, the organization would like to have the firm selected review and recommend long term staffing solution that would suit the operations of the organization.

Historically the organization has acquired property at auction or through strike off, and sold lots to builders within very simple transactions. Since new grant agreements with the City were put in place in August 2018, the organization is involved in a variety of new acquisitions (market transactions) and sales of homes on HLB Lots (development procured by City) with unique money flows to and from restricted accounts, and reimbursements to and from the City. Additionally its more traditional lot sale programs (sold to builders) will be renewing soon. It anticipates ramping up to projections of 20-40 transactions a month in the next few months of both acquisitions and sales to meet the City's affordable housing goals.

HLB's fiscal year runs from July 1-June 30.

Scope of Work

1. Interim temporary staff to review all systems/controls and current practices, and provide financial oversight and support for ongoing transactions
2. forensic accounting to establish baseline historical data as needed for future transactions,
3. Design of financial systems and controls, including proposal (if necessary) appropriate software
4. Training of staff, implementation of new systems (with data migration if required), support for hiring of all ongoing staff necessary to carry out recommended systems.
5. Coordinate with Accountant, McConnell Jones
6. Anything else you see as necessary to fully prepare the organization for its next chapter

Proposal Requirements

At a minimum, your proposal should include:

1. Detail of your firm's experience in providing financial consulting services to governmental entities, as well as other entities comparable to HLB.
2. Description of the qualification of principal staff to be assigned to the scope, including (a) professional resumes; (b) scope expertise (c) role in the proposed scope of services.
3. Description of the services to be provided, which personnel (and expertise) will be critical to the team, including the approaches and methods to be used, and approaches to timeliness and customer service.
4. Description of any experience in real estate transactions , and serving non-profit agencies. Municipal accounting experience is not required, but please provide any experience your firm has in this area.
5. Discuss the communication process used by the firm to discuss issues with management and the board directors.
6. Provide the names and contact information for two clients similar to HLB in type and size for reference purposes.
7. Related and supportive information on licenses, certifications, and other business alliances.

8. Detailed fee proposal by scope phase, based on assumptions you have made to provide the services. Please include structure (hourly vs lump sum), estimated totals by phase (if hourly), rates, and billing requirements.

Process & Schedule

The HLB Board Finance Committee will review all submittals to develop a recommendation for consideration and selection, which will be reported to the Board of Directors. HLB is not responsible for any costs incurred in responding to this request.

ACTION ITEM	DATE
Request for Proposals issued	September 30
Proposals due	October 14, 2019, 5pm.
Evaluation of proposals	October 2019
Contract executed	October 2019
Consulting review process/Interim Financial Controller/CFO engaged in day to day financial operations	November-December 2019
Recommendations & Implementation	January 2020- March 2020

Submittal Instructions

Please forward your proposal to ahaynes@houstonlandbank.org no later than 5 p.m. October 9, 2019. Please address questions to ahaynes@houstonlandbank.org. Questions will be accepted until 5 p.m. October 11, 2019; all questions received will be distributed to all parties.

Information provided by HLB

Information included with this RFP is provided solely for the convenience of the proposers. WHILE THIS INFORMATION IS BELIEVED TO BE ACCURATE, NO

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