



Request for Proposals (“RFP”)
To Conduct Valuation & Reporting Services

Table of Contents

Table of Contents	2
I. Request to Submit Qualifications	3
II. Scope of Services Required	3
III. TEDCO Overview	4
IV. TEDCO’s Audience	5
V. TEDCO’s Financial Operation	5
VI. RFP Submittal Requirements.....	6
VII. General Requirements and Deadline	7
VIII. Firm Selection Process.....	8
IX. Respondent’s Conditions, Representations and Authorizations	8
X. Term and Termination	9

I. Request to Submit Qualifications

The Maryland Technology Development Corporation (“TEDCO”) is soliciting services from nationally recognized firms of certified public accountants (“Firm”) with expertise in investment fair value assessments and investment reporting services to conduct quarterly and annual portfolio investment valuations and calculate market positions throughout the fiscal year.

The fair value assessment and reporting contract will begin on November 1, 2022 and end October 31, 2023, with one (1) year options for conducting such services for each of the three subsequent fiscal years, exercisable at TEDCO’s unilateral discretion.

The goal of this RFP is to receive proposals from potential Firms, evaluate those submittals, and then select the Firm best suited to perform the investment fair value assessments and investment portfolio reporting services.

Minority business enterprises, as defined in Section 14-301 (e) of the State Finance and Contracting Article of the Annotated Code of Maryland, are encouraged to respond to the RFP.

Enclosed please find copies of:

- Exhibit A: TEDCO Professional Services Procurement Contract

II. Scope of Services Required

Assess the fair market value of investment portfolio companies in TEDCO’s Maryland Innovation Opportunity Fund (MIOF) and Maryland Venture Fund (MVF) on a quarterly basis with the information provided by TEDCO’s management and market data. Based on our portfolio size, this is estimated to require 75 hours per year. In addition, the Firm will provide and advise TEDCO’s staff with viable valuation methods for investments that do not have an external fair market value. Valuation processes shall document the reasoning and logic behind assumptions, the techniques employed, and the rationale for the proposed valuation.

Quarterly MIOF reports shall include financial statements, a current list of investments, a history of capital calls, and a portfolio summary, including MVF and TEDCO’s legacy investments. Institutional Limited Partners Association (ILPA) reports shall be completed contemporaneously, with the financial data derived from the portfolio summary. Based on our portfolio size, this is an estimated 300 hours of work per year.

TEDCO's management will provide the Firm with current and historical information on portfolio companies, including financial statements, for the preparation of these reports. Once reports are drafted, TEDCO's Chief Investment Officer will review and sign a certification letter.

The Firm will prepare a schedule to calculate investment management fees, a report summarizing venture partnerships, and a MIOF reporting book schedule. Additionally, the Firm will assist TEDCO with preparing the Invest Maryland Annual Report. Based on our portfolio size, this is an estimated 60 hours of work per year.

III. TEDCO Overview

Mission

Enhance economic development by fostering an inclusive and entrepreneurial innovation ecosystem. Identify, invest in, and help grow technology companies in Maryland.

Vision

TEDCO will be the recognized national leader for supporting translational research, and technology-based, economic and entrepreneurial development while being the hub of Maryland's innovation ecosystem.

TEDCO's Background

TEDCO was created in 1998 by the Maryland State Legislature to facilitate the transfer and commercialization of technology from Maryland's research universities and federal labs into the marketplace, and to assist in the creation and growth of technology-based businesses in the State. TEDCO is, among other things, a resource of mentoring, funding and networking for entrepreneurs and start-ups that need guidance as they bring innovative concepts to market. It is more than an early-stage funding resource, but also a hub of Maryland's entrepreneurial network where start-ups find mentors, organizational assistance, facilities for daily operations, and a roadmap for success.

Nationally recognized as one of the most active seed/early-stage investors in the nation, TEDCO has a portfolio of more than 400 seed investments since 1998 through six funding and seven mentoring and education programs, with \$22 million awarded through TEDCO programs, and \$137 million allocated in research support. TEDCO's five core programs collectively resulted in \$1.6 billion in economic activity and 7,746 Maryland jobs as of 2018.

TEDCO manages multiple funds and programs, and administers two others. The investment funds include the Pre-Seed Builder Fund, Rural Business Innovation Initiative Pre-Seed Fund, Seed Fund, Gap Fund, Maryland Venture Fund, and Maryland Innovation Opportunity Fund. The Maryland Innovation Initiative Fund (MII) makes grants and investments to eligible research universities and university-affiliated start-up companies, and the Maryland Stem Cell Research Fund (MSCRF)

makes grants to fund regenerative medicine research in Maryland. Both MII and MSCRF are administered by TEDCO but governed by separate governing bodies. TEDCO's other programs are governed by a 19-member Board of Directors appointed by the Governor, the President of the Maryland Senate, and the Speaker of the Maryland House of Delegates. TEDCO is funded largely by the State through an annual allocation of approximately \$50 million, through returns from direct investments, and through other sources of funding including grants and sponsorships. TEDCO has an active and diverse team of 32 employees.

Maryland Innovation Opportunity Fund I, LLC

The Maryland Innovation Opportunity Fund I, LLC (MIOF) is a Delaware limited liability company which commenced operations on October 24, 2017 for the purpose of making and managing investments in private equity and venture capital located in the State of Maryland on behalf of the Board of Trustees of the Maryland State Retirement and Pension System (MSRPS).

MIOF has a contract with TEDCO to provide management services to the Fund.

IV. TEDCO's Audience

TEDCO works with a growing network of universities, federal laboratories, laboratory researchers, entrepreneurs, start-ups, early-stage companies, business incubators, private investors and legislators interested in fostering innovative economic development in our region.



V. TEDCO's Financial Operation

TEDCO has a centralized Accounting and Finance department under the Chief Operating Officer. The accounting office is responsible for maintaining the general ledger, producing financial

statements, accounting reports, disbursements, receivables, payrolls, investments, insurance, budget and providing support to the outside auditors.

TEDCO's financial software is Oracle NetSuite that integrates general ledger, accounts payable and accounts receivable. Payroll is processed through ADP payroll services.

VI. RFP Submittal Requirements

Proposals must include the following items:

- A cover letter setting forth the experience of the Firm, including any sub-contractors' experience, describing work performed on similar projects; key personnel qualifications and relevant experience;
- Professional biographies and/or resumes of qualified professionals who will be overseeing and conducting the investment fair value assessments and investment portfolio reporting services;
- A rate and labor schedule that details fully loaded project hourly rates, which includes all overhead and profit that may be incurred in performing the project. All direct expenses shall be billed at cost;
- Complete Proposal Cost Estimate to reflect a total all-inclusive maximum price and include all pricing information relative to performing the investment fair value assessments, preparation of management fees and venture partnership schedules, and quarterly reporting services. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses.
- A statement detailing the Firm's availability and anticipated time table for completion of the investment fair value assessments, preparation of management fees and venture partnership schedules, and quarterly reporting services;
- A detailed plan for each investment fair value assessments, preparation of management fees and venture partnership schedules, and quarterly reports;
- An affirmative statement that the Firm and all assigned key professional staff are properly registered/licensed to practice in Maryland;
- A statement certifying that Firm has no existing or foreseen conflicts to perform the services requested by TEDCO as envisioned under the above Scope of Services;
- A listing of three current clients (private or public), where the Firm is conducting work for clients that are comparable to TEDCO in size and locale;

- Three references, including at least two clients for whom services have been provided within the past three years. Provide the contact names, positions and phone numbers for representatives of each entity listed as a reference. TEDCO reserves the right to contact references for information that may be used in the evaluation process;
- Contact Information: Provide the name and address of the Firm, the name, telephone number, facsimile number and email address of the individual(s) responsible for preparation of the proposal who may be contacted in the event of questions or notification, and the location of the office, at which the services to be provided hereunder will be performed.

VII. General Requirements and Deadline

Please direct questions in writing, no later than October 14, 2022, to Terry Rauh, Chief Operating Officer, at the email address given below for proposal submission.

Written answers to Firms' questions will be provided via email until October 19, 2022. Teleconferences may be scheduled after the RFP posting date but no later than October 17, 2022. Conferences will be assigned as determined by the availability of TEDCO Staff.

In order to be considered for selection, respondents must submit a complete response, including all RFP Submittal Requirements, by 5:00 p.m. on October 21, 2022. One (1) digital file of each complete proposal must be submitted to TEDCO's Chief Operating Officer at the following email address:

Subject: TEDCO FY2022 Investment Valuations and Reporting Services
Attn: Terry Rauh, Chief Operating Officer
Email: trauh@tedco.md

If a response is submitted by a corporation, joint venture, etc., the Proposal shall be signed by an officer authorized to do so. If made by an individual, that individual shall sign it. One or more of the partners shall sign if the Respondent is a general partnership, or by the managing partner or general partner if a limited partnership. If submitted by a limited liability company, the submittal shall be signed by a managing member.

TEDCO reserves the right to require the submission of additional information regarding experience and qualifications as it may deem necessary, and may consider any available evidence on the financial, technical, or other qualifications and abilities of the Firm.

TEDCO reserves the right to reject all Proposals, reduce the scope of work, or abandon all or part of this Audit prior to award of any contracts. Proposals may be rejected for any or no reason.

TEDCO reserves the right to waive any and all irregularities and informalities in the submission of RFP Submittal Requirements, and to request clarification of qualifications prior to qualifying a Firm.

The selected Firm must provide evidence of valid business registration and of good standing to conduct business in the State of Maryland, as well as active licensure by the Maryland Board of Public Accountancy.

VIII. Firm Selection Process

Proposals will be evaluated by TEDCO Staff. Based on the qualified proposals received, the TEDCO Staff will authorize a contract award. In selecting the most qualified Firm for the services of this RFP, TEDCO shall consider the following:

- Proposed fees for services;
- Quality of response to RFP Submittal Requirements;
- Demonstrated ability and qualifications to conduct investment fair value assessments and Investment reporting services;
- Quality of relevant service to similar entities in previous transactions; and
- Familiarity with federal and Maryland laws relevant for investment reporting.

During the process, the TEDCO Staff may, at its discretion, request any one or all Firms to make oral presentations. Such presentation will provide the Firms with an opportunity to answer any questions the Committee may have on a Firm's proposal. Not all firms may be asked to make such presentations.

The professional services contract will be based upon TEDCO's Professional Services Procurement Contract, which is attached hereto as Exhibit A.

IX. Respondent's Conditions, Representations and Authorizations

By submitting its proposal, each Respondent understands, represents and acknowledges that:

- A Respondent and his/her authorized representative may withdraw or modify his/her proposal by written notice received prior to the exact hour and date specified for proposal receipt.

- All of Respondent's information and representations in the proposal are material and important, and TEDCO may rely upon the contents of the proposal in negotiations, contractual obligations, and awarding the contract(s). Respondent agrees that the proposal will remain firm for a period of one hundred twenty (120) calendar days after the date specified for receipt of proposal or until a TEDCO Procurement Contract agreement is fully executed, whichever is later.
- Respondents are expected to fully inform themselves of all conditions, requirements and specifications before submitting a proposal. After the proposal submission deadline, a Respondent may not change its proposal or obtain relief in case of errors or omissions in the submitted proposal.
- TEDCO may waive minor informalities or errors in proposals if it determines that the error does not undermine the overall integrity of the proposal.

X. Term and Termination

The term of the professional services contract shall be for a period of one (1) year from when it is formally entered into by the parties. Subject to the annual review and recommendation of the TEDCO staff, the satisfactory negotiation of terms (including a price acceptable to both TEDCO and the selected Firm), the contract may be renewed annually without seeking other proposals for up to three (3) renewals of one (1) year each.

TEDCO may, at any time, terminate the professional services contract in whole or in part for TEDCO's convenience and without cause if it determines in its sole discretion that termination is in the public interest. Upon receipt of an order of termination for convenience, the Firm shall not proceed with any item of work, unless specifically authorized to do so in writing. In such a case, unless mutually agreed to by the parties, the Firm will not be entitled to payment for any services provided after the effective date of such termination.

If there are any questions regarding this Request for Proposals, please contact Terry Rauh, at (240) 515-1864 or by e-mail at trauh@tedco.md