

5G-1

Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: May 17, 2011 [] Consent [X] Regular [] Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the Pre-Qualified Bond Underwriters pool of qualified investment banking firms to serve as senior managers and co-managers for the County's negotiated sale of tax-exempt and taxable municipal bonds and other financing transactions on a non-exclusive and as needed basis selected in accordance with RFP NO. 10-055R/LJ, Pre-Qualification of Bond Underwriter Services as follows: 1. Citigroup Global Markets, Inc., 2. Morgan Stanley, 3. Bank of America – Merrill Lynch, 4. J.P. Morgan Securities, L.L.C., 5. Goldman, Sachs & Company, 6. RBC Capital Markets, L.L.C., 7. Wells Fargo Securities, 8. Barclays Capital, 9. Raymond James & Associates, Inc. and 10. Loop Capital Markets, L.L.C.

Summary: The Selection Committee, composed of the County Finance Committee (CFC) and the County's Financial Advisor, reviewed the RFP applications for the Pre-Qualified Bond Underwriters on April 25, 2011. None of the proposers were certified as County Small Business Enterprises or qualified for Local Preference. The Selection Committee voted to have the top ten ranked firms included in the Pre-Qualified Bond Underwriters pool. The Selection Committee will reevaluate the pool of underwriters every three years and recommend the appropriate action in accordance with PPM No. CW-F-078. Countywide (PFK)

Background and Justification: In August, 2009, the Board approved written policies for the issuance, management, monitoring and evaluation of all County debt obligations, including the selection of bond underwriters. These policies established a preference for competitive bond sales with the flexibility to utilize negotiated sales, when recommended by the CFC. A negotiated sale may be considered, for example, when the complexity of the issue requires special expertise, when the negotiated sale would result in substantial savings of time and money, or when market conditions are unusually volatile.

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Attachments:

1. Summary of Evaluation/Selection Committee Recommendation

Recommended by: Elizabeth Blaise 5/10/11
 Department Director Date

Approved By: [Signature] 5/12/11
 County Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>0</u> <i>* See below</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: *John A. Long*
RAJ 5/10/11

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

There is no fiscal impact associated with establishing a pool of pre-qualified bond underwriters. Underwriters from this pool will only be utilized if the County approves a negotiated bond sale. If that occurs, underwriter fees will be determined and paid upon the sale of the bonds.

[Signature] *5/11/11*
 OFMB

N/A
 Contract Dev. and Control

B. Legal Sufficiency:

Paul F. J. *5/12/11*
 Assistant County Attorney

C. Other Department Review:

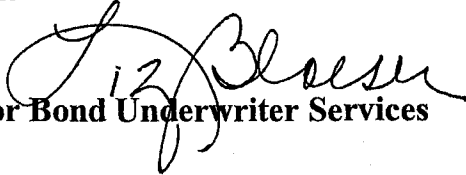
 Department Director

Policy and Procedure Memorandum (PPM) #CW-F-078, Competitive Selection of Bond Underwriters Policy for Negotiated Sales, establishes the parameters for a request-for-proposals (RFP) selection process, with a selection committee comprised of the CFC and the County's financial advisor. The purpose of this process is to maintain a pool of pre-qualified bond underwriters to be utilized when a negotiated sale is approved by the Board. Once a negotiated bond issue has been approved by the Board, the CFC and the County's financial advisor will select an underwriting team, using a separate RFP process established for the specific bond issue, from the pre-qualified pool of underwriters and make a recommendation to the County Administrator for approval by the BCC. An underwriting team will consist of a senior manager and co-managers, depending on the size of the bond issue. All fees will be contingent on the closing of the bond sale.



INTEROFFICE COMMUNICATION

**TO: Lisa Juliano, Senior Buyer
Purchasing Department**

FROM: Liz Bloeser, Chairman 
Selection Committee for Bond Underwriter Services

DATE: April 26, 2011

SUBJECT: Summary of Evaluation/Selection Committee Recommendation

The Selection Committee met at 9:30 am on April 25, 2011 to discuss the twenty six responses to the County's RFP No. 10-055R/LJ for the Pre-Qualification for Bond Underwriter Services. The Selection Committee had a general discussion of the number of firms to be selected and the method of selection of the firms to be included in the County's Pre-Qualified Bond Underwriters Pool. The Selection Committee voted to have the top 10 ranked Bond Underwriters in the Pre-Qualified Bond Underwriters Pool. At the request of the Selection Committee, the County Debt Manager with input from the County's Financial Advisor discussed each responders' past experience with the County and the experience of key personnel involved with past County bond issues. The Selection Committee ranked all of the proposals and the top ten ranked proposers were as follows:

- | | |
|------------------------------------|-------------------------------------|
| 1. Citigroup Global Markets, Inc. | 6. RBC Capital Markets, L.L.C. |
| 2. Morgan Stanley | 7. Wells Fargo Securities |
| 3. Bank of America – Merrill Lynch | 8. Barclays Capital |
| 4. J.P. Morgan Securities, L.L.C. | 9. Raymond James & Associates, Inc. |
| 5. Goldman, Sachs & Company | 10. Loop Capital Markets, L.L.C. |

There was a spread of 36 points between the tenth ranked firm (315.5 points) and the eleventh ranked firm (279.5).

cc: Members of the Selection Committee