

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

BUDGET AND FINANCE COMMITTEE

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to approval of a list of qualified firms for underwriting, remarketing, investment banking, and other related services for City bond programs.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the following firms to serve on the City's list of qualified firms for underwriting, remarketing, investment banking and other related services, as needed, for various City bond programs (the "Qualified List"), for a three-year term with the option to extend the Qualified List for two additional one-year extensions:
 - a. POOL 1: Underwriters for Long-Term Debt, excluding Land-Secured Assessment Financings
 - 1) Backstrom McCarley Berry & Co., LLC (LBE)/(MBE)
 - 2) Bank of America Merrill Lynch (LBE)
 - 3) Barclays Capital Inc. (LBE)
 - 4) Cabrera Capital Markets, LLC (LBE)/(MBE)
 - 5) Citigroup Global Markets Inc. (LBE)
 - 6) De La Rosa & Co. (LBE)/(MBE)
 - 7) Goldman, Sachs & Co. (LBE)
 - 8) Jackson Securities LLC (LBE)/(MBE)
 - 9) Jefferies & Co., Inc. (LBE)
 - 10) J.P. Morgan Securities LLC (LBE)
 - 11) Loop Capital Markets LLC (LBE)/(MBE)
 - 12) Morgan Keegan & Company, Inc. (LBE)
 - 13) Morgan Stanley & Co., Inc. (LBE)
 - 14) Siebert Brandford Shank & Co., LLC (LBE)/(MBE)
 - 15) Stifel Financial Corporation (formerly Stone & Youngberg LLC) (LBE)
 - 16) Wedbush Morgan Securities, Inc. (LBE)
 - 17) Wells Fargo Securities (LBE)
 - 18) William Blair & Co.
 - b. POOL 2: Underwriters for Short-Term Debt, including Tax and Revenue Anticipation Notes
 - 1) Backstrom McCarley Berry & CO., LLC (LBE)/(MBE)
 - 2) Bank of America Merrill Lynch (LBE)
 - 3) Citigroup Global Markets LLC (LBE)
 - 4) De La Rosa & Co. (LBE)/(MBE)
 - 5) Goldman, Sachs & Co. (LBE)

- 6) J.P. Morgan Securities LLC (LBE)
- 7) Loop Capital Markets LLC (LBE)/(MBE)
- 8) Morgan Stanley & Co., Inc. (LBE)
- 9) Ramirez & Co., Inc. (LBE)/(MBE)
- 10) William Blair & Co.

c. POOL 3: Remarketing Agents for Variable Rate Debt and Commercial Paper

- 1) Backstrom McCarley Berry & Co., LLC (LBE)/(MBE)
- 2) Bank of America Merrill Lynch (LBE)
- 3) Barclays Capital Inc. (LBE)
- 4) Citigroup Global Markets Inc. (LBE)
- 5) De La Rosa & Co. (LBE)/(MBE)
- 6) Jefferies & Co., Inc. (LBE)
- 7) J.P. Morgan Securities LLC (LBE)
- 8) Loop Capital Markets LLC (LBE)/(MBE)
- 9) Morgan Stanley & Co., Inc. (LBE)
- 10) Ramirez & Co., Inc. (LBE)/(MBE)
- 11) Stifel Financial Corporation (formerly Stone & Youngberg LLC) (LBE)
- 12) US Bancorp (LBE)
- 13) Wells Fargo Securities (LBE)

d. POOL 4: Underwriters for Land-Secured Assessment Financings

- 1) Citigroup Global Markets Inc. (LBE)
- 2) De La Rosa & Co. (LBE)/(MBE)
- 3) Greencoast Capital Partners LLC (LBE)/(WBE)
- 4) Piper Jaffary & Co.
- 5) Stifel Financial Corporation (formerly Stone & Youngberg LLC) (LBE)
- 6) Wells Fargo Securities (LBE)

e. POOL 5: Investment Bankers for Unique Types of Transactions such as Public/Private Partnerships and Pension Obligation Bonds

- 1) Bank of America Merrill Lynch (LBE)
- 2) Barclays Capital Inc. (LBE)
- 3) Cabrera Capital Markets, LLC (LBE)/(MBE)
- 4) Citigroup Global Markets Inc. (LBE)
- 5) De La Rosa & Co. (LBE)/(MBE)
- 6) Goldman, Sachs & Co. (LBE)
- 7) Greencoast Capital Partners LLC (LBE)/(WBE)
- 8) J.P. Morgan Securities LLC (LBE)
- 9) Loop Capital Markets LLC (LBE)/(MBE)
- 10) Morgan Stanley & Co., Inc. (LBE)
- 11) Siebert Brandford Shank & Co., LLC (LBE)/(MBE)
- 12) Stifel Financial Corporation (formerly Stone & Youngberg LLC) (LBE)
- 13) Wells Fargo Securities (LBE)
- 14) William Blair & Co.

2. AUTHORIZE the City Administrative Officer (CAO) to maintain the Qualified List by adding, deleting or modifying the firms from the pools if the following events occur during the life of the Qualified List, subject to the approval of City Attorney: 1) mergers and acquisitions, 2) firm exits the municipal finance business, 3) significant changes to a firm's underwriting capacity, 4) significant changes to the team members assigned to the City or 5) any event that may alter a firm's ability to provide underwriting, remarketing, investment banking and/or other related services to the City.
3. APPROVE and AUTHORIZE the CAO to negotiate and execute contracts with any or all of the above 22 firms, as needed, over a three-year term with the option to extend the Qualified List for two additional one-year extensions, to serve as senior and co-managers for underwriting, remarketing, investment banking and other related services for various City bond programs, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact to the City's General Fund from approval of this report. Fees will be funded from bond proceeds upon successful closing of a financing transaction.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of October 3, 2011, the Budget and Finance Committee considered a CAO report requesting approval of a list of qualified firms for underwriting, remarketing, investment banking, and other related services for City bond programs.

During Committee discussion, CAO representatives provided an overview of the RFQ process, the proposed list of qualified firms, and responded to related questions from Committee members. Additionally, the CAO submitted an updated List of City Bond Financings From July 2008 to July 2011 which is attached to the Council file. After further consideration and having provided an opportunity for public comment, the Committee recommended approval of recommendations contained in the CAO report dated September 29, 2011. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
CARDENAS:	YES
ENGLANDER:	YES
ROSENDAHL:	YES
KORETZ:	ABSENT

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