



COUNTY ADMINISTRATOR'S OFFICE

Susan S. Muranishi, County Administrator

Donna Linton, Assistant County Administrator

MEMORANDUM

February 17, 2012

TO: Interested Parties

FROM: Susan S. Muranishi, County Administrator

SUBJECT: Request for Qualifications – Municipal Bond Underwriting Services **-REOPENED**

The County of Alameda is seeking Statements of Qualifications from firms interested in being admitted to the County's Underwriting Pool and is reopening the application period for two additional weeks to ensure the widest participation possible by interested firms. Firms admitted to the pool may be appointed to serve as underwriters for future debt financing and refunding opportunities.

Based on the responses to this request, the County anticipates selection of a pool of firms which would provide municipal bond underwriting services on an as-needed basis over a two- year period. The number of debt financings to be completed during this period can not be determined, but could include a variety of capital projects, housing projects, and the refunding of current issuances.

Firms interested in being considered for selection should submit responses to the attached RFQ by **4:00 p.m. on March 2, 2012**, to:

Alameda County Administration Building
County Administrator's Office
1221 Oak Street, 5th Floor, Suite 555
Oakland, CA 94612
richard.conway@acgov.org

ATTENTION: Richard Conway

Please submit four (4) bound copies, and one (1) electronic copy of your response to this RFQ. Responses received after this day and time will not be considered. **Firms who have already submitted an application should not resubmit during this reopening.**

SSM:LW:RC:

Attachment

c: Each Member, County Administrator's Finance Advisory Committee

County of Alameda
Request for Qualifications for Municipal
Bond Underwriting Services – 2012

The County of Alameda invites investment banking firms to respond to this Request for Qualifications (RFQ). The County is interested in securing underwriter services for the purpose of assisting the Board of Supervisors, the County Administrator, County Counsel, and other County partners, in meeting the County's debt financing goals.

I. Alameda County

The County of Alameda was established in 1853 and is currently the 7th most populous county in California with 14 incorporated cities and several unincorporated communities. Alameda County has a population in excess of 1,500,000, and is one of the most ethnically diverse regions in the Bay Area. The County has an approved budget of \$2.4 billion for fiscal year 2011-2012, and actively manages a debt portfolio comprised in part of certificates of participation, lease revenue, pension obligation and tax increment bonds, and commercial paper. Alameda County currently maintains ratings of A1/AA/AA- from Moody's, Standard & Poor's, and Fitch rating services respectively.

II. Scope of Services

With respect to specific financings, the responsibilities of the underwriting team may include the following:

- Advising and assisting the County in formulating and executing a debt-financing plan. Recommending a maturity schedule, redemption terms, call premiums, investment options and other structural aspects of the issue, which results in the most cost-effective and efficient financing structure;
- Reviewing and assessing the available and projected cash flow from the underlying projects and other sources of revenue to support the proposed debt services on the bonds;
- Assessing the optimal use of innovative products that may be of benefit to the County as related to these financings;
- Obtaining the necessary credit enhancements, or structuring the issue without credit enhancement in a fashion that assures the maximum feasible investment grade rating on the bonds;
- Participating in all activities associated with bond rating agency's review process, including preparation of rating agency's presentation materials, arrangements of rating meetings, and following up with regards to rating agency's questions and issues;
- Recommending a marketing plan that would result in the most favorable terms and cost of the financing. The plan should assess all relevant bond market conditions to recommend timing and pricing of the bond sale;

- Assisting bond and underwriters' counsel in the preparation of documentation for the financing. Reviewing and commenting on all relevant legal documents related to the County's debt issuances, including but not limited to lease agreements, bond resolutions, indentures, and the arbitrage tax certificate. Assisting in the preparation of the Preliminary and Final Office Statements and distributing these documents to potential investors;
- Marketing the bonds to institutional and retail customers, developing preliminary compensation, pricing, interest rate scales, and underwriting the bonds at mutually agreed upon pricing, and interest rate scale level;
- If required, serve as the remarketing agent for bonds sold in a variable rate mode; and
- Managing an underwriting syndicate selected by the County to market the debt obligations to investors ***(Senior or Co-Senior Managers Only)***

III. Preparation of Responses

A. Introductory Section

- This section should consist of a letter of introduction signed by an officer of the firm and an executive summary which highlights the proposal's key points.

B. Firm Qualifications

This section should include the following:

- The address and telephone number of the office which will staff this engagement.
- The name of the firm's representative as designated as the day-to-day contact person.
- A brief description of the firm's underwriting practice as related to public finance.
- A description of the firm's experience serving as underwriter for obligations issued by local California issuers, the State of California, and issuers outside of California, since January 1, 2009. Provide in an appendix the name of the issuer, the name of the issue, the sale date, the size of the issue, the type of the issue, the method of sale, and the firm's role in the transaction. If appropriate, provide a separate appendix detailing this information for any affordable housing issuances in which you may have participated during this time.
 - For those issues where the firm was acting as Senior or Co-Senior Manager, please also specify:
 - Rating(s)
 - Bond Insurance Provider (if any)
 - Gross Spread Components
 - Percentage of the Issue Sold by Your Firm

- Member of the Firm with Primary Responsibility for this Assignment

- A description of the firm's ability to prepare detailed quantitative analyses of alternative structuring options and to develop and structure innovative financial structures and products that will add value to the bond issues contemplated by the County.

- A description of the firm's ownership and capital structure; total number of employees in various categories (e.g., managerial, professional and clerical); principal place of business and location of other offices. Identify the amount of the firm's net capital committed to support municipal bond underwriting and identify the maximum size of a long-term, tax-exempt bond issue the firm would be willing to underwrite under applicable securities laws given the firm's current capital position.

- A discussion of the firm's institutional and retail marketing, distribution, and remarketing capabilities both nationally and in California. Identify how many full-time employees are dedicated to the sales and trading of municipal securities, and the firm's average trading volume in California municipal bonds. Describe how your firm would assist the County in improving their image with municipal investor community in order to assure the widest distribution of their bonds at the lowest interest rate possible.

C. Staff Qualifications

The qualifications, expertise and availability of the individuals assigned to this project are exceedingly important to the County, and will influence the County's choice of underwriters for the pool. Please be specific in addressing these items:

- The members of the professional team, including specific areas of expertise as related to different types of financings, whether specified team members will be serving in a primary or a support capacity, and the availability of identified team members to work on County projects.

Provide a brief resume for each team member which should include any relevant California county public finance experience and qualifications.

D. References

Provide the names, addresses and telephone numbers for five issuers with whom you have worked over the past two years, and who are able to attest to your firm's expertise, quality of work, and the service provided by the specific individuals identified in Section IV.C of your response. California county references are preferred.

E. Conflict of Interest and Pending Litigation

Please address the following as part of your response:

- Are there any arrangements, formal or informal, that the firm has with any other unrelated individuals or entities with regards to the sharing of any compensation, fees or profits received from or in relation to, acting as an underwriter for the County? If so, provide a copy of any contract relating to the arrangement and the manner in which compensation or fees would be shared.
- Will the selection of your firm result in any current or potential conflicts of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict, and whether your firm would step aside or resign from the engagement or representation creating the conflict.
- Please identify fully the extent to which your firm or individual partners or employees are the subject of any ongoing municipal securities investigation, are a party to any municipal securities litigation or arbitration or are the subject of a subpoena in connection with a municipal securities investigation. In addition, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years.

F. Additional County Requirements

It is the intent of the County of Alameda to develop and promote economic growth for the community in which it serves. Accordingly, the County seeks to maximize the involvement of minority and women-owned business enterprise (M/WBE) and small, local, and emerging businesses in its financing teams. Additional information on the County's Small, Local and Emerging Business (SLEB) Program is available on-line at the following address:

<http://www.acgov.org/auditor/sleb/>

Please indicate how you propose to work with the County to support the involvement of M/WBE and SLEB firms in the future financings. Is your firm willing to serve on an underwriting team with any firm(s) selected by the County?

IV. Submission Instructions

Please submit four (4) bound copies and one (1) electronic copy of your response to this RFQ no later than 4:00 p.m. (PST), on March 2, 2012, to the following address:

County of Alameda, County Administrator's Office
1221 Oak Street, 5th Floor, Suite 555
Oakland, CA 94612

ATTENTION: Richard Conway

A. Please seal and label all responses (on the outside of the envelope) to indicate the following:

“Response to RFQ for Municipal Bond Underwriting Services – County of Alameda”

Name of Municipal Bond Underwriting Firm

Address of Municipal Bond Underwriting Firm

- B. Responses are limited to **fifteen pages** including the letter of introduction, but excluding any biographical information.
- C. A panel will review responses meeting the outlined requirements stated herein. The panel will then develop a short list of responders. The panel may or may not choose to hold oral interviews prior to making a final selection. However, in the event that interviews are held, it will be mandatory that the lead representative attend for those firms who are on the short list. Only those individuals directly involved with the project should attend the interview.
- D. All responses should be valid for a 90-day period from the due date of the RFQ, and should be signed by an authorized official of the firm. A firm may withdraw its response by written request to the County.
- E. The County reserves the right to reject any response. All responses become part of the County’s public record. The selected firms will be precluded from providing financial advisory services on the same transaction.

V. Evaluation Criteria

Responses to this RFQ will be evaluated according to the criteria listed below:

- Specialized experience and technical competence of the firm, record of performance, strength of key personnel identified in the proposal;
- Demonstration of the firm’s capacity to successfully underwrite the County’s tax–exempt and taxable debt, including the firm’s ability to distribute bonds both nationally and in California.
- The firm’s capital structure including total capital, equity capital, and uncommitted excess capital and how the firm has used that capital to support the sale and market distribution of municipal bonds.
- Knowledge and understanding of local environment and a local presence for working with the County staff; and
- Organization, presentation and content of the proposal.

VI. Inquiries:

Questions regarding this RFQ should be addressed to Richard Conway at richard.conway@acgov.org. All questions should be submitted by February 24, 2012. The County will post all questions and

Request for Qualifications – Municipal Bond and Underwriting Services

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corresponding responses to <http://www.acgov.org/>, under *Doing Business With Us*, by February 27, 2012.