



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

TELEPHONE
(213) 974-2101

FACSIMILE
(213) 626-1812

May 25, 2006

TO: Kiran Mirza, Legislative Deputy, First Supervisorial District
Clinton Tatum, Senior Deputy, Second Supervisorial District
Genie Chough, Budget Deputy, Third Supervisorial District
Rick Velasquez, Assistant Chief Deputy, Fourth Supervisorial District
Lori Glasgow, Assistant Chief Deputy, Fifth Supervisorial District

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: **AGENDA ITEM NO. 76 FOR MAY 30, 2006 – RECOMMENDATION
TO APPROVE AN AMENDMENT TO EXTEND THE TERM OF THE
MASTER AGREEMENT FOR FINANCIAL ADVISOR SERVICES**

The Treasurer and Tax Collector (TTC) has filed the attached Board letter for the Board of Supervisors' meeting on May 30, 2006, requesting approval of Amendment Number One to the Master Agreement for Financial Advisor Services. The term of the current Master Agreement for financial advisor services with Fieldman, Rolapp & Associates (Fieldman), Montague, DeRose & Associates (Montague), and Public Resource Advisory Group (PRAG), was approved by the Board on June 17, 2003 and executed by the TTC on July 1, 2003. The Master Agreement is due to expire June 30, 2006. The recommended Amendment will extend the term through September 30, 2006.

During the course of a year, TTC receives numerous proposals recommending a variety of borrowing options. While many of these may provide benefits to the County's debt management program, they often involve significant risks as well. The use of financial advisors since 1995 has served the County well by providing independent financial analysis, validation of debt structures, and augmented technical expertise.

The approval of the recommended Amendment will enable the continuation of uninterrupted financial advisor services to assist staff in evaluating financial

proposals, debt structures, and debt management relating to the County's debt management program.

A Request for Statement of Qualification (RFSQ) was released January 18, 2006 to re-solicit for financial advisor services. Eleven (11) firms responded with their respective Statements of Qualification (SOQ) on February 10, 2006. Throughout the solicitation process, several firms pursued the options afforded them under the Countywide Services Contract Solicitation Protest Policy, seeking secondary reviews of TTC's evaluation of their SOQs at applicable stages in the process. TTC took additional time to thoroughly review each firm's request in light of their respective SOQ and the RFSQ requirements in order to validate the integrity of the evaluation process for these important services. The extension of time will allow TTC to complete the process and negotiate with the firms being considered for inclusion in the financial advisor pool before making its recommendation to your Board. Upon successful completion of Master Agreement negotiations, it is TTC's intent to seek approval from your Board for the TTC to execute a Master Agreement with the firms that will comprise the financial advisor pool.

Services are used on an intermittent as-needed basis, with most costs for services incorporated as a part of the costs of issuance for the financing of specific projects approved by your Board. An appropriation of \$200,000 for the cost of services for special studies and other projects not related to a specific project financing has been included in the TTC's Proposed Budget for Fiscal Year 2006-07.

The Master Agreement for financial advisor services has been approved as to form by County Counsel.

If you should have any questions, please contact Glenn Byers, Assistant Treasurer and Tax Collector, at (213) 974-7175.

MJS:WMH:evt
FAS Board Deputy Memo 5-25-06

Attachment



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

May 30, 2006

TELEPHONE
(213) 974-2101

FACSIMILE
(213) 626-1812

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AN AMENDMENT TO EXTEND THE TERM OF
THE MASTER AGREEMENT FOR FINANCIAL ADVISOR SERVICES
(3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Treasurer and Tax Collector to execute an amendment substantially similar to the copy attached hereto and incorporated by this reference to extend the current Master Agreement for financial advisor services with Fieldman, Rolapp & Associates (Fieldman), Montague, DeRose & Associates (Montague), and Public Resource Advisory Group (PRAG), effective July 1, 2006 through September 30, 2006.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Treasurer and Tax Collector (TTC) created the financial advisor pool program in 1995 to assist staff in evaluating financial proposals, debt structures, and debt management relating to the County's debt management program by utilizing the services of three independent financial advisors.

During the course of a year, TTC receives numerous proposals recommending a variety of borrowing options. While many of these may provide benefits to the County's debt management program, they often involve significant risks as well. The use of financial advisors since 1995 has served the County well by providing independent financial analysis, validation of debt structures, and augmented technical expertise. The current financial advisor pool Master Agreement expires on June 30, 2006. The recommended Amendment will extend the current Master Agreement through September 30, 2006.

The approval of the recommended Amendment will enable the continuation of uninterrupted financial advisor services to assist staff in evaluating financial proposals, debt structures, and debt management relating to the County's debt management program.

A Request for Statement of Qualification (RFSQ) was released January 18, 2006 to re-solicit for financial advisor services. Eleven (11) firms responded with their respective Statements of Qualification (SOQ) on February 10, 2006. Throughout the solicitation process, several firms pursued the options afforded them under the Countywide Services Contract Solicitation Protest Policy, seeking secondary reviews of TTC's evaluation of their SOQs at applicable stages in the process. TTC took additional time to thoroughly review each firm's request in light of their respective SOQ and the RFSQ requirements in order to validate the integrity of the evaluation process for these important services. The extension of time will allow TTC to complete the process and negotiate with the firms being considered for inclusion in the financial advisor pool before making its recommendation to your Board. Upon successful completion of Master Agreement negotiations, it is TTC's intent to seek approval from your Board for the TTC to execute a Master Agreement with the firms that will comprise the financial advisor pool.

Implementation of Strategic Plan Goals

The approval of this Master Agreement Amendment is consistent with the County's Strategic Plan Goals of Financial Responsibility by providing independent financial analysis, validation of debt structures, augmented technical expertise and other types of projects in which a Firm's services has been requested.

FISCAL IMPACT/FINANCING

Services are used on an intermittent as-needed basis, with most costs for services incorporated as a part of the costs of issuance for the financing of specific projects approved by your Board. An appropriation of \$200,000 for the cost of services for special studies and other projects not related to a specific project financing has been included in the TTC's Proposed Budget for Fiscal Year 2006-07.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The current Master Agreement with Fieldman, Montague, and PRAG was executed on July 1, 2003 subsequent to approval by the Board on June 17, 2003. The Amendment will become effective July 1, 2006 through September 30, 2006, upon your Board approval.

The Honorable Board of Supervisors
May 30, 2006
Page 3

The Master Agreement Amendment for financial advisor services has been approved as to form by County Counsel.

There is no impact to County employees as these services supplement current resources and are intermittent in nature.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Amendment, extending the term of the existing Master Agreement, will ensure uninterrupted financial advisor services.

CONCLUSION

Instruct the Executive Officer of the Board of Supervisors to return one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:EVT:evt
FAS Amendment Board Letter 5-9-06 final

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors