



Joshua M. McLaughlin
Managing Director
Phone: (214) 576-0878
Facsimile: (214) 576-0890
jmclaughlin@bokf.com

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Dr. Jamie Wilson
Superintendent of Schools
Denton Independent School District
1307 North Locust
Denton, Texas 76201

Ms. Debbie Monschke
Assistant Superintendent of Administrative Services
Denton Independent School District
1307 North Locust
Denton, Texas 76201

Re: Results of Request for Qualifications for Bond Underwriting Services – RFQ #1804-10

Dear Dr. Wilson and Ms. Monschke:

Introduction

As you are undoubtedly aware, there have been significant changes in the municipal finance industry since Denton Independent School District (the “District”) approved its pool of bond underwriters back in year 2014. In anticipation of the successful passage of its proposed 2018 Bond Program, Denton ISD, in consultation with BOK Financial Securities, Inc. as the District’s financial advisor, issued its Request for Qualifications (“RFQ”) for Bond Underwriting Services in April 2018 and received 22 proposals. Upon review and discussion with the District, the following summarizes the results of the RFQ process.

Evaluation and Recommendation

Pursuant to Section 2254.003 of the Texas Government Code, the selection of underwriters may not be made based upon competitive bids, but rather determined on the basis of “demonstrated competence” and “qualifications to perform the services.” In evaluating the 22 proposals, the following criteria was utilized:

- Texas school district negotiated underwriting experience;
- Texas school district competitive underwriting experience;
- Underwriting performance as a Senior and Co-Managing underwriter;
- Distribution capabilities for the District’s bonds;
- Meaningful financing ideas and ancillary assistance provided to the District;
- Texas school district financing experience of banking/underwriting professionals assigned to Denton ISD;
- Demonstrated support and commitment to Texas school districts;
- Capital commitment to the District’s bond sale;
- Financial position of firm;
- Importance of District’s bond sales;
- Local presence; and
- Regulatory compliance and potential conflicts of interest.

A summary of results of the evaluation are attached hereto. Based upon our discussion with the District's Administration, we recommend the following firms be included in the District's bond underwriting pool for the next 5 years or until it becomes prudent to re-evaluate the universe of potential bond underwriters in the future. The financial institutions summarized below represent the top nine (9) scores received on the RFQ plus one (1) minority-owned firm.

Recommended Bond Underwriting Pool	
■ Bank of America Merrill Lynch	■ J.P. Morgan Securities LLC
■ Citigroup Global Markets Inc.	■ Piper Jaffray
■ Estrada Hinojosa & Company (Minority Owned)	■ Raymond James & Associates, Inc.
■ Hilltop Securities Inc.	■ RBC Capital Markets, LLC
■ FTN Financial Capital Markets	■ Wells Fargo Securities

The District will select certain firms to serve as underwriters on future negotiated financings at the time of each bond sale. The number of firms used for a particular financing will depend on the size of the bond sale, prior underwriting performance and ongoing support of Denton ISD's financing needs. It is important to note, the District is not required to utilize the services of any firm within its approved pool of bond underwriters and DISD retains the flexibility to add and/or delete firms to its underwriting pool at any point in time it is deemed in the best interest of the District.

Closing

We hope this information is helpful as you manage the District's 2018 Bond Program. Should any questions arise, additional information is preferred or if we may be of any assistance, please do not hesitate to contact us. Hope all is well!

Sincerely,



Joshua M. McLaughlin
Managing Director

Denton Independent School District
Request for Qualifications for Bond Underwriting Services
Preliminary Scoring Summary

Firm Category	Underwriting Firm	Points Received	Rank
Super Regional	Raymond James & Associates, Inc.	85.50	1
National	Wells Fargo Securities	75.00	2
National	RBC Capital Markets, LLC	73.75	3
National	Citigroup Global Markets Inc.	70.75	4
Regional	Hilltop Securities Inc.	70.50	5
Regional	FTN Financial Capital Markets	68.00	6
National	J.P. Morgan Securities LLC	67.50	7
National	Bank of America Merrill Lynch	65.00	8
Super Regional	Piper Jaffray	64.50	9
National	Stifel, Nicolaus & Company	62.50	10
Regional	Frost Bank	60.00	11
National	Morgan Stanley	55.50	12
Super Regional	Robert W. Baird & Co.	52.75	13
Regional	SAMCO Capital Markets	51.00	14
Minority Owned	Estrada Hinojosa & Company, Inc.	50.25	15
Minority Owned	Siebert Cisneros Shank & Co., LLC	50.00	16
Regional	George K. Baum & Company	44.50	17
Regional	Hutchinson, Shockey, Erley & Co.	43.50	18
Regional	UMB Bank, N.A.	39.25	19
National	UBS Financial Services Inc.	37.50	20
Regional	Stephens Inc.	31.00	21
National	Fidelity Capital Markets	24.50	22