

Bond Underwriting Services – RFQ #131219

February 25, 2014

SUMMARY:

This item requests approval of a Request for Qualifications for Bond Underwriting Services –RFQ #131219, to establish an underwriting pool for the next five years or until it becomes prudent to evaluate the universe of potential bond underwriters in the future.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility...

- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

PREVIOUS BOARD ACTION:

An underwriting pool was established for the 2007 Bond Program in 2006.

BACKGROUND INFORMATION:

There have been significant changes in the financial industry since 2006. It has been recommended that we issue a Request for Qualifications for bond underwriting services. RFQ #131219 was issued on December 2, 2013 and 21 proposals were received.

SIGNIFICANT ISSUES:

The District will select certain firms to serve as underwriters on future negotiated financings. 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 DISD's financing needs.

FISCAL IMPLICATIONS:

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."

BENEFIT OF ACTION:

Approval of an underwriting pool will allow the District to move forward with the planning and implementation of the 2013 Bond Program.

PROCEDURAL AND REPORTING IMPLICATIONS:

None

ALTERNATIVES:

A selection process could be conducted with each transaction during the 2013 Bond Program.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the following financial institutions as the Bond Underwriting Pool:

Bank of America Merrill Lynch	Raymond James
Edward Jones – Retail	RBC Capital Markets
Estrada Hinojosa & Company – Minority	Robert W. Baird & Co.
First Southwest Company	Southwest Securities
J.P. Morgan Securities	Wells Fargo Securities

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENT:

Letter of recommendation – BOSC, Inc.

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____