

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: March 20, 2025

CAO File No. 0220-05291-1628

Council File No. 22-0195

Council District: ALL

To: The Mayor  
The City Council

From: Matthew W. Szabo, City Administrative Officer 

Reference: Council File No. 22-0195

Subject: **PROPOSED UPDATE TO THE EXISTING QUALIFIED LIST FOR INVESTMENT BANKING SERVICES FOR DEBT PROGRAMS MANAGED BY THE CITY ADMINISTRATIVE OFFICER**

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### RECOMMENDATIONS

That the City Council, subject to approval of the Mayor:

1. Approve the following firms to serve on the City's existing list of qualified firms for investment banking services for various debt programs managed by the City Administrative Officer (Existing Qualified List), for the remainder of the existing five-year term that was authorized on March 9, 2022 by City Council and expiring on March 8, 2027 with four optional one-year extensions, including updates to the Existing Qualified List as follows (C.F. 22-0195):
  - a. The removal of Citigroup Global Markets Inc. and UBS Financial Services Inc. from the Existing Qualified List as these firms exited the municipal bond business and no longer provide underwriting services for negotiated municipal bond sales;
  - b. A modification of the role for TD Securities LLC, currently on the Existing Qualified List eligible as a co-manager, to also include eligibility as a senior manager; and,
  - c. The addition of PNC Capital Markets LLC to the Existing Qualified List, eligible to serve as senior manager and co-manager:

#### Existing Qualified List (Proposed Update, March 2025)

1. Academy Securities, Inc. (Disabled Veterans Business Enterprise (DVBE), Minority Business Enterprise (MBE))
2. American Veterans Group, Public Benefit Corporation\* (Small Business Enterprise (SBE), Service-Disabled Veteran-Owned Business (SDVOB))
3. Bancroft Capital, LLC\* (Service-Disabled Veteran-Owned Small Business (SDVOSB))



4. Barclays Capital Inc.
5. BofA Securities, Inc.
6. Cabrera Capital Markets, LLC (MBE)
7. D.A. Davidson & Co.
8. Drexel Hamilton, LLC (SDVOB)
9. FHN Financial Capital Markets\*
10. Goldman Sachs & Co. LLC
11. Jefferies LLC
12. J.P. Morgan Securities LLC
13. Loop Capital Markets (MBE, Minority/Women Business Enterprise (M/WBE))
14. Morgan Stanley
15. Piper Sandler
16. PNC Capital Markets LLC
17. Ramirez & Co. Inc. (MBE)
18. Raymond James & Associates, Inc.
19. RBC Capital Markets, LLC
20. Siebert Williams Shank & Co., LLC (M/WBE)
21. SMBC Nikko Securities America, Inc.\*
22. Stern Brothers\* (Women Business Enterprise)
23. Stifel Public Finance
24. TD Securities LLC
25. UMB Bank, N.A.\*
26. US Bancorp\*
27. Wells Fargo Securities

\*Co-Managers Only

2. Authorize the City Administrative Officer to negotiate and execute contracts with TD Securities LLC or PNC Capital Markets LLC, as needed, for the remainder of the current term of the Existing Qualified List expiring on March 8, 2027 with four optional one-year extensions, to serve as senior managers and co-managers for investment banking services for various City debt programs, subject to the approval of the City Attorney as to form.

## SUMMARY

On March 9, 2022, the City Council approved a qualified list of 28 firms for investment banking services for various City debt programs (Existing Qualified List) based on the results of a Request for Qualifications (RFQ) process (C.F. 22-0195). This list was approved for a five-year term with four optional one-year extensions. This Office was authorized to use the Existing Qualified List for the selection of senior managers and/or co-managers for negotiated bond sales on an as-needed basis. Investment banking services include debt structuring and the marketing and underwriting of bonds, variable rate securities, and commercial paper. A list of the investment banking firms is provided later in this report.



Consistent with the intent to periodically provide opportunities for firms to join the Existing Qualified List for investment banking services, this Office released a supplemental RFQ on November 4, 2024 through the City's Regional Alliance Marketplace for Procurement website (RAMP ID No. 216700). An advertisement of the RFQ was also posted in The Bond Buyer, a publication for the municipal finance industry. Firms currently eligible as co-managers on the Existing Qualified List seeking to be considered for senior manager roles were required to apply to the supplemental RFQ. Firms already on the Existing Qualified List not seeking a change in role were not required to respond.

This Office received responses from five firms. The selection panel evaluated the responses based on the firm's general qualifications, experience with specific financing transactions, and appropriateness of analysis and recommendations for City financings. The firms that received scores of 80 percent or above are recommended for inclusion on the Existing Qualified List.

This Office will assign firms on the Existing Qualified List as senior managers and/or co-managers on an as-needed basis to issue debt through a negotiated sale. This Office will evaluate, in consultation with its independent municipal advisors, whether to issue bonds by either a competitive or negotiated sale for each bond transaction using the guidelines in the City's Debt Management Policy. The debt programs that this Office may consider for a negotiated sale include the General Fund Lease Financing Program (Municipal Improvement Corporation of Los Angeles (MICLA) and Los Angeles Convention Center debt obligations), Land-Secured Assessment Financing Program, Solid Waste Resources Revenue Bond Program, Special Tax or Assessment District Financings, Tax and Revenue Anticipation Notes, Wastewater System Revenue Bond Program, and unique transactions, including, but not limited to, public private partnerships and pension obligation bonds. Firms on the Existing Qualified List may serve as remarketing agents or commercial paper dealers for the City's debt programs that include commercial paper and variable rate bonds in its debt portfolio. General obligation bonds are issued using a competitive method of sale pursuant to Division 11, Chapter 1, Article 5 of the Los Angeles Administrative Code. Therefore, the Existing Qualified List will not be used for the General Obligation Bond Program.

This Office will solicit bids from firms on the Existing Qualified List through a mini-Request for Proposals (RFP) for all negotiated bond sales. This Office, based on its needs and criteria, may limit the number of firms from the Existing Qualified List that receive an invitation to respond to a mini-RFP. The mini-RFP will request the firms to submit information specific to the proposed financing such as work experience, marketing and distribution capabilities, underwriting capacity, and proposed fees. This Office will select the underwriting firms best suited for the transaction based on this information. All fees are subject to negotiation at the time a firm is selected for a transaction.

The two firms, TD Securities LLC and PNC Capital Markets LLC, are recommended for inclusion on the Existing Qualified List to serve as senior managers and co-managers for investment banking services for various City debt programs. TD Securities LLC is already included in the Existing Qualified List as one of the initial 28 firms, previously approved to serve as a co-manager only. The total number of firms on the Existing Qualified List now stands at 27, which reflects the addition of



PNC Capital Markets LLC and the removal of Citigroup Global Markets Inc. and UBS Financial Services Inc. This update to the Existing Qualified List provides the City with a broader pool of qualified investment banking firms to engage for its various debt programs.

The updated Existing Qualified List consists of the following 27 firms:

1. Academy Securities, Inc. (Disabled Veterans Business Enterprise (DVBE), Minority Business Enterprise (MBE))
2. American Veterans Group, PBC\* (Small Business Enterprise (SBE), Service-Disabled Veteran-Owned Business (SDVOB))
3. Bancroft Capital, LLC\* (Service-Disabled Veteran-Owned Small Business (SDVOSB))
4. Barclays Capital Inc.
5. BofA Securities, Inc.
6. Cabrera Capital Markets, LLC (MBE)
7. D.A. Davidson & Co.
8. Drexel Hamilton, LLC (SDVOB)
9. FHN Financial Capital Markets\*
10. Goldman Sachs & Co. LLC
11. Jefferies LLC
12. J.P. Morgan Securities LLC
13. Loop Capital Markets (MBE, Minority/Women Business Enterprise (M/WBE))
14. Morgan Stanley
15. Piper Sandler
16. PNC Capital Markets LLC
17. Ramirez & Co. Inc. (MBE)
18. Raymond James & Associates, Inc.
19. RBC Capital Markets, LLC
20. Siebert Williams Shank & Co., LLC (M/WBE)
21. SMBC Nikko Securities America, Inc.\*
22. Stern Brothers\* (WBE)
23. Stifel Public Finance
24. TD Securities LLC
25. UMB Bank, N.A.\*
26. US Bancorp\*
27. Wells Fargo Securities

*\*Co-Managers Only*

This Office may release supplemental RFQs every two to three years to further expand the Existing Qualified List, until the expiration of the current list. Following the evaluation of responses to each supplemental RFQ, this Office will report to the City Council with recommendations to add firms to the Existing Qualified List.



## **FISCAL IMPACT STATEMENT**

The 2024-25 Adopted Budget includes appropriations within the Capital Finance Administration Fund and Sewer and Construction Maintenance Fund for costs attributed to services provided by commercial paper dealers and remarketing agents. Annual budget appropriations for such services are subject to Mayor and City Council approval. Fees for other investment banking services will be funded from bond proceeds upon successful closing of a transaction. There is no additional fiscal impact on the City's General Fund from the approval of recommendations in this report.

## **DEBT IMPACT STATEMENT**

Approval of the report recommendations will have no impact on the City's debt limits.

## **FINANCIAL POLICIES STATEMENT**

The report recommendations are in compliance with the City's Financial Policies, which state that all municipal advisors, bond counsel, underwriters, and other as needed market participants will be selected through a RFQ or RFP process.



## **FINDINGS**

### **1. Background**

On March 10, 2021, this Office released an initial Request for Qualifications (RFQ) for investment banking services for various debt programs managed by the City Administrative Officer (CAO). Investment banking services include debt structuring, and the marketing and underwriting of bonds, variable rate securities and commercial paper in accordance with the City's Financial Policies, Section 6, Debt Management Policy. The CAO posted the initial RFQ on the Los Angeles Business Assistance Virtual Network and published an advertisement in The Bond Buyer, a publication for the municipal finance industry. The CAO posted five addenda to respond to questions from interested firms and received a total of 37 proposals by the April 21, 2021 deadline. A total of 28 firms were selected as a result of this initial RFQ.

On March 9, 2022, the City Council approved the current term of the Existing Qualified List which is set to expire on March 8, 2027. This term also includes four optional one-year extensions, potentially extending the eligibility of the Existing Qualified List up to March 8, 2031. Since the establishment of the current Existing Qualified List, two firms, consisting of Citigroup Global Markets Inc. and UBS Financial Services, Inc., exited the municipal bond business and no longer provide underwriting services for negotiated municipal bond sales. Therefore, these two firms are no longer eligible to serve in senior manager or co-manager roles from the Existing Qualified List.

On November 4, 2024, this Office released a supplemental RFQ (see attachment) through the City's Regional Alliance Marketplace for Procurement website (RAMP ID No. 216700), and published an advertisement of the RFQ in The Bond Buyer. Firms serving as co-managers on the Existing Qualified List and seeking to be considered for senior manager roles were required to apply to this supplemental RFQ. Firms already on the Existing Qualified List not seeking a change in role were not required to respond. The CAO posted an addenda to respond to questions from interested firms and received a total of five proposals by the November 22, 2024 deadline.

### **2. Evaluation Criteria**

The supplemental RFQ consisted of specific questions for each of the City's debt programs. The firms' responses to these questions provided the selection panel with the necessary information to evaluate the firms based on the following factors:

- a. General Firm Qualifications (25 percent): Includes personnel assigned to work on the City's financing transactions.
- b. Experience with Specific Financing Transactions (50 percent): Ability to structure and issue securities to achieve the lowest true interest cost. Firms must demonstrate knowledge and/or experience with similar transactions. Additionally, firms should have references that can attest to the quality of the firms' past work.



- c. Firm's Understanding of the City and Ability to Address Financing Needs (25 percent): Appropriateness of analysis and recommendations for City financings, taking City's Debt Management Policy and constraints into consideration.

### **3. Selection Process**

The selection panel, which was comprised of representatives from the Los Angeles Department of Water and Power and the CAO reviewed and scored the five proposals.

As stated in the RFQ, "after an initial review of qualifications, the City may, at its sole discretion, conduct interviews of firms to further delineate their qualifications and experience. Firms may not be contacted for an interview if the City believes it has sufficient information to rate them." The selection panel conducted virtual interviews with the two recommended firms to further evaluate their qualifications and experience.

Each firm indicated the debt programs for which it wanted to provide investment banking services to the City. The selection panel used the above evaluation criteria to score proposals. The scores reflect the firms' overall ability to provide investment banking services for the debt programs for which they applied. The CAO recommends firms that received a score of 80 points or above to serve on the Existing Qualified List.

### **4. Firms Recommended for the Existing Qualified List**

A total of two firms, TD Securities LLC and PNC Capital Markets LLC, scored 80 or above and are recommended to serve on the Existing Qualified List for investment banking services. Both firms possess the expertise, capabilities, and underwriting capacity to sell the City's debt obligations over the next several years. There is no guarantee that these firms will be selected to serve on a City financing during the term of the Existing Qualified List.

### **5. Ability to Add Firms to the Existing Qualified List**

To improve opportunities for emerging firms to do business with the City, the CAO intends to periodically release supplemental RFQs to allow firms to apply to join the Existing Qualified List throughout the duration of its active term. This Office anticipates posting supplemental RFQs every two to three years on the Regional Alliance Marketplace for Procurement website or any successor website. Firms recommended to serve on the Existing Qualified List as co-managers will have the opportunity to apply for senior manager roles through the periodic RFQ process. Following the evaluation of responses to each RFQ, the CAO will report to the City Council with a recommendation to update the Existing Qualified List.

### **6. Findings Related to Selection of Professionals Pursuant to Charter Sections 371e(2), 371e(10), and 372**

Pursuant to Sections 371(e)(2) and 371(e)(10) of the City Charter, this Office finds that due to the technical, specialized, and unique nature of the investment banking services required for



the sale and issuance of the City's bonds, which services are of a temporary and occasional character, the use of competitive bidding required by Section 371 of the Charter to select finance professionals necessary for the sale and issuance of the City's bonds would not be practicable, advantageous, or compatible with the City's best interest. Pursuant to Section 372 of the City Charter, and as described above, this Office has engaged in a competitive selection process with respect to the establishment of the Existing Qualified List and will engage in a competitive selection process as bond transactions arise if such competitive process would be most advantageous to the City under the circumstances of the particular bond transaction.

Attachment

*MWS:ZHC:09250127*



**REQUEST FOR QUALIFICATIONS  
INVESTMENT BANKING SERVICES**

**FOR THE  
CITY OF LOS ANGELES**



**ISSUED BY THE  
CITY ADMINISTRATIVE OFFICER**

**RAMP ID No. 216700**



**Request for Qualifications  
Investment Banking Services**

**City of Los Angeles  
City Administrative Officer**

**DATE ISSUED:** November 4, 2024

**TITLE:** Investment Banking Services

**DESCRIPTION:** The City of Los Angeles (“City”) is seeking Statements of Qualifications from qualified firms for investment banking services for CAO-managed debt programs. **Please note that the release of this RFQ will allow firms to apply to join the Existing Qualified List. Firms approved to serve on the Existing Qualified List as co-managers seeking for an opportunity to serve as senior managers must apply for the senior manager role during this RFQ process. Firms currently on the Existing Qualified List that do not seek any changes to their role do not need to re-apply. Please see more details below.**

**SUBMISSION DEADLINE:** Statements of Qualifications must be received at the Submission Delivery Addresses shown below by **November 22, 2024 at 4:00 p.m. (PT)**

**SUBMISSION:** **E-mail electronic file to:**  
[cao.debt@lacity.org](mailto:cao.debt@lacity.org)

**Redacted copy (see pages 6 to 7) to:**  
[cao.debt@lacity.org](mailto:cao.debt@lacity.org)

**Upload forms required by Regional Alliance Marketplace for Procurement (RAMP):**  
<https://www.rampla.org/s/>

**TECHNICAL ASSISTANCE:** Questions related to this Request for Qualifications (RFQ) must be submitted via e-mail to [cao.debt@lacity.org](mailto:cao.debt@lacity.org) no later than **November 15, 2024 at 4:00 p.m. (PT)** to be considered before the final submission date. Questions and answers will be posted on the Regional Alliance Marketplace for Procurement (RAMP) website at <https://www.rampla.org>. It is the proposer’s responsibility to check for any responses to questions that may have been submitted.



# Table of Contents

1. INTRODUCTION.....	4
2. DESCRIPTION OF CAO-MANAGED BOND PROGRAMS AND FINANCINGS .....	5
3. REQUIREMENTS.....	6
4. STATEMENT OF QUALIFICATIONS' REQUIREMENTS, CONTENT AND FORM .....	8
5. TENTATIVE SCHEDULE FOR REQUEST FOR QUALIFICATIONS .....	10
6. ADDITIONAL MATERIALS.....	13
7. SELECTION PROCESS.....	14
8. ABILITY TO ADD TO THE QUALIFIED LIST .....	15
9. PROPOSAL APPEAL PROCESS.....	15
10. GENERAL REQUIREMENTS, TERMS, AND CONDITIONS.....	16
11. SUBMITTALS.....	18

## ATTACHMENTS

- Attachment 1: Types of Financings
- Attachment 2: Required City Forms, Standard Provisions and Insurance Requirements
- Attachment 3: Corporate Citizenship Requirement under the Responsible Banking Ordinance
- Attachment 4: Personnel Experience
- Attachment 5: Issuers inside of California since January 2019
- Attachment 6: Issuers outside of California since January 2019
- Attachment 7: Reference Evaluation
- Attachment 8: City of Los Angeles Debt Policy



# **Request for Qualifications Investment Banking Services**

## **City of Los Angeles City Administrative Officer**

### **1. INTRODUCTION**

The City Administrative Officer (the “CAO”) of the City of Los Angeles is soliciting Statements of Qualifications from qualified firms for investment banking services on CAO-managed bond programs. These services will include debt structuring, and the marketing and underwriting of bonds, variable rate securities and commercial paper in accordance with the City’s Financial Policies, Debt Management Section.

On March 9, 2022, following a Request for Qualifications (“RFQ”) process, the City Council approved a qualified list of 28 firms for investment banking services on CAO-managed bond programs (“Existing Qualified List”) (C.F. 22-0195). A copy of the Existing Qualified List can be found [here](#). The Existing Qualified List was approved to remain in effect for a period of five years (with an expiration date of March 9, 2027), with possible four one-year extensions. The City Council also approved the ability to add firms to the Existing Qualified List to apply for co-manager or senior manager roles through the periodic RFQ process.

To improve opportunities for firms to do business with the City, the release of this RFQ will allow firms to apply to join the Existing Qualified List. **Firms approved to serve on the Existing Qualified List as co-managers seeking for an opportunity to serve as senior manager must apply for the senior manager role during this RFQ process. Firms currently on the Existing Qualified List that do not seek any changes to their role do not need to re-apply.** Following the evaluation of responses to this RFQ, the CAO will report to the City Council with a recommendation to add firms, if any, to the Existing Qualified List or to modify a firm’s role from co-manager to senior manager, if applicable, which new list will constitute the “Qualified List.” During the terms of the Qualified List, the City may periodically release the other RFQs to allow firms to join the Qualified List or to modify a firm’s role from co-manager to senior manager.

The CAO will select firms from the Qualified List on an as-needed basis to perform investment banking, underwriting, remarketing and other related services based on the City’s evaluation of the firm’s qualifications for specific financings, fees and costs, and compliance with City policies. All fees are subject to negotiation at the time a firm is chosen for a transaction. The CAO reserves the right to make changes to the Qualified List from time to time and to sell debt obligations on a competitive basis and/or through other methods of sale. The City reserves the right in its sole discretion to select the firms and the nature of their engagement for each transaction as deemed appropriate by the City. **There is no guarantee that any firm on the Qualified List will be awarded a contract during the term of the Qualified List. Additionally, there is no guarantee that any firm on the Qualified List will be invited to submit a proposal for every transaction the City is undertaking.**

Firms selected from the Qualified List will be expected to participate actively in the sale, distribution and underwriting of debt obligations. Firms selected will also be expected to present the CAO with a post-sale analysis of the transaction, including a summary of the distribution for the bonds, list of investors placing priority orders, pricing information, orders placed by syndicate members, allocation of the bonds and secondary market trading activity.

It is the policy of the City to solicit participation by all individuals and businesses including, but not limited to, Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small



Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), Disadvantaged Business Enterprise (DBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), or Other Business Enterprise (OBE) for an equal opportunity to participate in the performance of City contracts. The underwriting syndicate appointed by the City may be structured to include MBE/WBE/SBE/EBE/DVBE/OBE firms. The City reserves the right to set forth its goals and expectations in this regard prior to award of a contract.

For the purposes of this RFQ, the terms “firm”, “proposer” and “respondent” are used interchangeably.

## **2. DESCRIPTION OF CAO-MANAGED BOND PROGRAMS AND FINANCINGS**

Please use Attachment 1 to indicate the type of financings for which you are applying. The General Obligation Bond Program of the City is not part of this RFQ, as it is anticipated that these bonds will be sold through a competitive method of sale.

### **1. General Fund Lease Financings**

Since the creation of the Municipal Improvement Corporation of Los Angeles (MICLA), a nonprofit public benefit corporation, in 1984, the City has entered into lease financings with MICLA for certificates of participation, lease revenue bonds or similar financial instruments. As of July 1, 2024, there is \$1.34 billion in long-term outstanding lease revenue obligations. In addition to long-term debt, the City has two MICLA Commercial Paper (CP) Programs totaling up to \$525 million. Debt issuances under this program have been used for the acquisition and improvement of real property and capital equipment.

### **2. Land-Secured Mello-Roos Special Tax Financings**

The Land-Secured Mello-Roos Special Tax Financing Program predominantly encompasses Mello-Roos (or Community Facilities Districts (CFD)) financings. The City periodically receives requests to create CFDs or other special districts for various types of infrastructure improvements. Bonds payable from special taxes within the CFD would be issued to finance such improvements. As of July 1, 2024, the City has CFD special tax bonds outstanding for the following CFDs: City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase I), City of Los Angeles Community Facilities District No. 8 (Legends at Cascades), and City of Los Angeles Community Facilities District No. 11 (Ponte Vista). There is \$77.2 million in outstanding CFD special tax bonds as of July 1, 2024. In 2013, the City formed Community Facilities District No. 9 for the Downtown Streetcar. The City has not issued bonds for the project.

### **3. Solid Waste Resources Revenue Bonds**

Solid Waste Resources (SWR) Revenue Bonds are issued to finance the acquisition and improvement of certain real property and capital equipment for the City's solid waste collection and disposal system (Solid Waste System). The Solid Waste System provides solid waste collection services to approximately 735,000 households within six collection districts. The 735,000 households serviced by the Solid Waste System generally represent single family dwellings, duplexes and multi-family dwellings of four units or less. As of July 1, 2024, there is \$278.4 million in outstanding SWR Revenue Bonds.

### **4. Special Tax or Assessment District Financings**

In the past, the City has issued special tax and assessment supported debt. The City currently does not have any bonds outstanding in its Special Tax or Assessment District Financing Program, it has previously issued MICLA Special Tax Lease Revenue Bonds (Police Emergency Command Control Communications System) and Landscaping and Lighting District 96-1 Assessment Bonds.



## **5. Wastewater System Revenue Bonds**

Los Angeles Wastewater (LAWW) System Revenue Bonds and Wastewater Commercial Paper Notes are used to finance capital improvements related to the City's wastewater system (Wastewater System). The Wastewater System serves an approximately 600 square mile area with a population in excess of 4.5 million or approximately 45% of the population of Los Angeles County. The Wastewater System has two distinct services areas: the Hyperion service area and Terminal Island service area. In addition to serving most of the City, the System also provides wastewater conveyance, treatment, and disposal services to 29 entities, including sanitation districts, cities, governmental entities, and private businesses which adjoin the City. The Wastewater System consists of more than 6,700 miles of mainline sewers, four water reclamation plants, and various other facilities. As of July 1, 2024, there is \$2.33 billion in outstanding LAWW System Revenue Bonds. In addition to long-term debt, the City has a Wastewater System Commercial Paper Notes Program of up to \$400 million.

## **6. Tax and Revenue Anticipation Notes**

The City annually issues tax and revenue anticipation notes ("TRANS") to alleviate short-term cash flow needs that occur early in the fiscal year when taxes and revenues have not yet been received. A large portion of these cash flow needs arise from the City's long-standing practice of paying its contribution to its pension systems early in the fiscal year to receive a discount. As of July 9, 2024, there is \$1.54 billion in outstanding TRANS.

## **7. Remarketing Agents**

The City currently has three commercial paper programs as described above.

## **8. Other Types of Transactions**

From time to time, the City may also seek proposals for other types of financing transactions such as public private partnerships (P3) or pension obligation bonds. In the past, the City has also managed Parking System Revenue Bonds and Judgment Obligation Bonds, with no current outstanding bonds in these categories at the time of writing. There may also be other types of transactions that are unknown to the CAO at this time that may require investment banking advisory services.

# **3. REQUIREMENTS**

All proposers must answer the questions in Section A. Completion of Attachment 1 will determine which sections you will be completing, Sections B, C, D and/or E.

All questions must be completely addressed in the text of your submittal and be presented in the order of the questions in the RFQ. **Responses are limited to 15 single-sided pages and must be in 11-point Arial font with 1" (one-inch) margins and normal character and paragraph spacing. The City will not consider responses that do not meet these requirements.** Requested attachments will not count against the per section page limit. The CAO will not consider any information in exhibits that are not directly requested.

Respondents shall be liable for all costs incurred in the preparation and submittal of their Statements of Qualifications, presentations, demonstrations and pre-contract negotiations. Respondents shall not include these costs or expenses as a part of their Statements of Qualifications.



## **Notice to Firms Regarding the Public Records Act**

Proposals made in response to this RFQ may contain data that constitute a trade secret. To protect such data from disclosure, the Proposer should specifically identify the pages of the proposal that contain confidential information by properly marking the applicable pages and inserting the following notice in the front of the proposal:

### **“NOTICE:**

The data on the pages of this proposal identified by an asterisk (\*) or marked along the margin with a vertical line, contain information which are trade secrets. The Proposer requests that such data be used only for the evaluation of its proposal but understands that disclosure will be made to the extent that the City determines it is required under federal, state, and local law.”

Proposals containing proprietary information, proprietary paragraphs and/or other trade secret data should be clearly marked as noted above. The Proposer must include one additional unbound copy of the proposal with the confidential material totally blacked out or removed from the text so that one copy is available as public material. In accordance with the California Public Records Act, this information may, upon request, be released to the public.

The City assumes no responsibility for disclosure or use of unmarked data for any purposes. In the event properly marked data are requested, the Proposer will be advised of the request and may expeditiously submit to the City a detailed statement indicating the reasons it has for believing that the information is exempt from disclosure under federal, state, and local law. This statement will be used by the City in making its determination as to whether or not disclosure is proper under federal, State, and local law. The City will exercise care in applying this confidentiality standard but will not be liable for any damage or injury that may result from any disclosure that may occur.

The Proposer agrees to assume and pay for all costs incurred by the City, including attorneys’ fees awarded by a court, if Proposer requests the City to resist disclosure of material provided to the City by the Proposer, and the City does so. The City will resist disclosure only in the event that the City determines the said materials are exempt under federal, State, or local law. Further, should the Proposer request that portions of the proposal remain confidential and not be disclosed, the Proposer must confirm the commitment to indemnify, defend and hold harmless the City of Los Angeles by including the following statement in the Letter of Transmittal:

“The Proposer agrees to defend and indemnify the City and its officers, employees, and agents, and hold them harmless from any claim, legal action or liability resulting from any action brought against the City for its refusal to disclose copyrighted material, trade secrets, or other proprietary information to any person making a request therefor.”

Failure to include such a statement shall constitute a waiver of a Proposer’s right to exemption from disclosure.

Note that wholesale use of headers/footers bearing designations such as “confidential”, “proprietary”, or “trade secret” on all or nearly all of a proposal is not acceptable and may be deemed by the City as a waiver of any exemption claim. The identification of exempt information must be more specific.

## **Conflicts of Interest**

The Proposer under any contract resulting from this RFQ (the “Contractor”) will be subject to Section 1090 of the California Government Code. California Government Code Section 1090 governs potential conflicts of interests involving public agencies within the State of California, and the



Contractor must comply with the State conflicts laws, including but not limited to Government Code Section 1090, at all times in connection with the services provided by the Contractor pursuant to any contract resulting from this RFQ. In addition to the Contractor itself, officers and employees of the Contractor who perform work for the City pursuant to any contract resulting from this RFQ are subject to and shall comply with California Government Code Section 1090 and other applicable State conflicts laws relating to conflicts of interests. The Contractor and Contractor's officers and employees are hereby advised to obtain independent legal counsel in order to fully understand the penalties for violating Government Code Section 1090 and the other State conflicts laws, including criminal prosecution.

In brief, Government Code Section 1090 prohibits, among other things, a Contractor from having a financial interest in any contract which results, directly or indirectly, from the services provided by the Contractor. The Contractor and Contractor's parent, subsidiaries, affiliates, officers and employees agree that they will not have any future business or financial interest in any aspect of any contract which results, directly or indirectly, from services provided by the Contractor pursuant to a contract resulting from this RFQ, other than its work for the City as advisor pursuant to the terms of such contract. Contractor further agrees that neither it nor its parent, subsidiaries or affiliates, officers or employees will participate in any transaction relating to the services provided by the Contractor pursuant to any contract resulting from this RFQ on behalf of any actual or potential private party.

If the Contractor (including its parent, subsidiaries affiliates, officers, and employees) is in a position to receive future employment, business, financial remuneration or other interest or benefit, from a bidder to a subsequent City contract, the Contractor immediately shall inform the City's authorized representative in writing of the circumstances. In addition, if the Contractor, its parent, subsidiary, affiliates, officers or employees is or has been the subject of a discussion of future employment or benefit, or if the Contractor has reason to believe such an arrangement may arise in the future, the Contractor immediately shall inform the City's authorized representative in writing of the circumstances. Finally, if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor immediately shall inform the City's authorized representative in writing of such situation giving the full details thereof.

Execution of a contract resulting from this RFQ shall constitute a representation by the Contractor that, at the time of such execution, the Contractor knows of no circumstances, present or anticipated, which come within the provisions of Government Code Section 1090 or which might otherwise be viewed as or give the appearance of a conflict of interest on the part of the Contractor, its parent, subsidiaries, affiliates, officers or employees.

#### **4. STATEMENT OF QUALIFICATIONS' REQUIREMENTS, CONTENT AND FORM**

##### **1. Cover Letter**

Include a one (1) page letter transmitting the Statement of Qualifications and indicating the name, address and telephone numbers of the person(s) authorized to sign for and make representations on behalf of the firm. Also include the name of the firm and team leader, including mailing address, telephone numbers, and e-mail address. Please include this language and sign the letter with the authorized representative:

"The Proposer agrees to defend and indemnify the City and its officers, employees, and agents, and hold them harmless from any claim, legal action or liability resulting from any action brought against the City for its refusal to disclose copyrighted material, trade secrets, or other proprietary information to any person making a request therefor."

In your cover letter, please indicate which types of financings your firm is applying to support and



please indicate your firm's preference to serve as either a senior manager or co-manager only.

## **2. Table of Contents**

Include a Table of Contents of the material presented in the Statement of Qualifications showing the applicable page numbers.

## **3. Format**

To simplify the evaluation process, responses must be submitted in the format described in each section of this RFQ, both as to sequence and content. Each point of each question must be answered. To maximize space for responses, responders should not restate the questions in their responses. Per the "Requirements" section, responders are **required to use 11-point Arial font, 1" (one-inch) margins, and normal character and paragraph spacing** for their responses.

## **4. Page Limit**

Responses are limited to **15 pages**, as described above, excluding the cover letter, table of contents, and requested attachments, including required City forms and Standard Provisions.

## **5. Contracting Requirements**

Complete and submit the following Required City Forms needed for contracting with the City (see Attachment 2):

- a. Nondiscrimination, Equal Employment Practices
- b. Affirmative Action Program
- c. Americans with Disabilities Act Policy, 42 U.S.C. Section 12101
- d. Child Support Ordinance, Los Angeles Administrative Code Section 10.10
- e. Contractor Responsibility Ordinance – Pledge of Compliance and Questionnaire
- f. Equal Benefits Ordinance, Los Angeles Administrative Code Section 10.821/First Source Hiring Ordinance\*
- g. Living Wage Statutory Ordinance Exemption\*\*
- h. Service Contract Worker Retention Ordinance Exemption\*\*
- i. Contractor Business Locations and Workforce Information
- j. Non-Collusion Affidavit, Los Angeles City Charter Section 386
- k. Iran Contracting Act of 2010 Compliance Affidavit\*
- l. City Ethics Form 50 – Bidder Certification
- m. City Ethics Form 55 – Prohibited Contributions
- n. Disclosure Ordinances Affidavit\*
- o. Local Business Preference Program\*
- p. IRS W-9 Form
- q. Corporate Citizenship Requirement under the Responsible Banking Ordinance (Attachment 3)

\*These forms must also be uploaded to your firm's Regional Alliance Marketplace for Procurement (RAMP) profile. For more information on RAMP visit <https://www.rampla.org/s/>.

\*\*These forms should only be submitted if your firm is seeking exemptions.

Failure to comply with these provisions or submit all the required forms may result in disqualification of the Statement of Qualifications or deductions in the overall evaluation.



## 5. TENTATIVE SCHEDULE FOR REQUEST FOR QUALIFICATIONS

### **Activity**

Last Questions Due.....	November 15, 2024 by 4:00 p.m. PT
Statement of Qualifications Due.....	November 22, 2024 by 4:00 p.m. PT
Interviews by the CAO Concluded.....	By December 23, 2024
Mayor and City Council Approval of Selected Firms.....	By January 31, 2024

### **INFORMATION TO BE SUBMITTED**

Every firm must respond to Section A. Please indicate in Attachment 1 for which programs you are responding and which type of financing. This will determine which sections to complete, Sections B, C, D and/or E.

#### **Section A: General Qualifications - All Respondents (up to three (3) pages)**

1. Provide a brief description of the firm by providing the information requested below:
  - a. What is your firm's legal structure, headquarters location, physical presence within the City of Los Angeles, state the length of time the firm has been in business, and how long the firm has met the requirements of MSRB Rule G-2 as a municipal Broker-Dealer. What percentage of your firm's employees are public finance employees?
  - b. Describe your firm's commitment to its location in the City. Since January 1, 2020, has your firm relocated any municipal bond professionals from offices in the City to locations outside of the City?
  - c. Describe your firm's corporate citizenship and commitment to the City, development or participation in charitable programs or scholarships, and policies with regard to the use of women-owned, minority-owned and disadvantaged business enterprises. Please complete this information on Attachment 3, which will also be posted on the CAO's website in compliance with the Responsible Banking Ordinance (C.F. 09-0234).
  - d. Does your firm procure goods and services within the City of Los Angeles?
  - e. Does your firm pay City taxes, and, if so, what type of taxes? Describe any existing disputes or proceedings between your firm and the City regarding the payment of taxes. Please attach a copy of your Business Tax Registration Certificate (BTRC). If you do not have a BTRC, please visit the [Office of Finance website](#), to register.
  - f. If applicable, please provide proof of certification with your response to qualify as an MBE/WBE/SBE/EBE/DVBE/OBE firm.
  - g. Does your firm have an Environmental, Social and Governance ("ESG") policy that governs the firm's business activities? If yes, please attach a copy as an appendix. Does your firm evaluate its ESG performance with ratings and metrics? If so, please provide the rubric or scorecard used by your firm in an appendix.
2. Identify the day-to-day contact and back-up day-to-day contact who will have primary responsibility for your firm's relationship with the City. Provide a resume of each individual's experience, specifying whether such experience was obtained while employed at another



financial institution. Also, please include each individual's office location. Provide the name and a brief summary of the relevant experience of the individuals who will serve as the head underwriter and/or sales manager for the City's long-term fixed rate debt and short-term/variable rate debt. Resumes for any other team members who will be serving the City should be included as an attachment to your Statement of Qualifications. This attachment shall not exceed 3 pages. Please complete and include Attachment 4 with information regarding your entire proposed financing team.

3. Indicate whether your firm or any personnel proposed to work on the City's transactions have received any disciplinary actions (fines, suspensions, etc.) by the Securities and Exchange Commission (SEC), National Association of Securities Dealers (NASD), Financial Industry Regulatory Agency (FINRA) or any other federal or state regulatory body, over the past five years. Provide a description of such disciplinary actions and any supplemental information regarding disciplinary actions as a one-page attachment.
4. In the past two years, on a senior managed transaction, what are the three largest positions the firm has underwritten and held in inventory and for how long? List the issuer, amount, type of bond (i.e. serial, term, etc.) and how long each position was held in inventory. Please provide the most recent financial information for your firm, which shows the total capital, equity capital, net capital and uncommitted (excess net) capital as of December 31, 2023, December 31, 2022 and December 31, 2021. Based on your excess net capital, what is your firm's maximum long-term underwriting capacity for a single transaction?
5. Provide your firm's best example of a financing in which your firm added significant value as a co-manager by providing greater than expected technical or banking expertise for the issuer or in the marketing of the bonds (i.e. how many orders did your firm place?).
6. Please provide a case study of a transaction of at least \$50 million that your firm senior managed within the past two (2) years. Please describe your firm's specific contributions to the transaction in the areas of debt structuring, rating strategy, investor relations and bond pricing that led to the success of the sale.
7. Please provide an example of how your firm used its retail distribution capabilities to support a bond pricing. Specify if your firm used in-house retail distribution or retail distribution agreements.
8. State how your firm can or has increased participation of emerging firms in your financings. Please give specific examples.

## **Section B: Investment Banking Qualifications for Long-Term Debt (up to four (4) pages)**

1. What are your firm's recommendations to the City to optimize its lease revenue, solid waste resources revenue, and wastewater system revenue obligation portfolios and lower its overall cost of funds? In what way is your firm uniquely qualified to help the City execute on these recommendations? While preparing your response, please confirm that any recommendations you propose are in alignment with the City's financial policies (included as Attachment 8 in this RFQ).
2. If you are applying as senior manager, please prepare a sample investor presentation for a proposed Lease Revenue Bonds new money transaction using the City's Continuing Disclosure Annual Report (<https://emma.msrb.org>, Base CUSIP #544587). This can be included as an Appendix. Firms applying to serve as co-manager only do not need to respond to this question.



3. Please complete Attachments 5 and 6, describing your firm's experience serving as an underwriter for municipal bond issuers in California and nationwide since January 2019, highlighting experience with the City's long-term debt (including assessment bonds, lease obligations and revenue bonds). If your day-to-day contact or lead underwriter have experience with the City or other California issuers since January 2019 while working for another firm, you may include the experience and indicate that it was while at another firm.

**Section C: Investment Banking Qualifications for Remarketing Agents for Variable Rate Debt and Commercial Paper and Other Short-Term Debt (up to four (4) pages)**

1. Variable Rate Demand Obligations (VRDO)

- a. Please provide any recommendations you have for the City to further optimize its floating rate bond portfolio. Indicate if there are VRDO opportunities that the City should consider for debt programs other than the Wastewater System Resources Revenue Program. In what way is your firm uniquely qualified to help the City execute on these recommendations? While preparing your response, please confirm that any recommendations you propose are in alignment with the City's financial policies (included as Attachment 8 in this RFQ).
- b. Describe your firm's remarketing agent experience with municipal floating-rate bonds in California and nationwide since January 2019. In your response, please include the date of sale, issuer, par amount and if your firm was a senior or co-manager. In addition, discuss your firm's experience with any new variable rate structures or products. If your day-to-day contact or lead underwriter has experience with the City or other California issuers from a prior role between now and January 2019, please include experience and indicate that it was while at another firm.

2. Short-Term Notes (i.e. Tax and Revenue Anticipation Notes)

- a. Please provide your thoughts regarding how the City should structure its future tax and revenue anticipation notes, including fixed vs. variable rate, method of sale and credit and investor considerations.
- b. Describe your firm's experience serving as an underwriter for short-term notes such as tax and revenue anticipation notes, highlighting California and City financings, since 2019. In your response, please include the date of sale, issuer, par amount, and if your firm was senior or co-manager. If your day-to-day contact or lead underwriter has experience with the City or other California issuers from a prior role between now and January 2019, please include experience and indicate that it was while at another firm.

3. Commercial Paper

- c. Describe the firm's experience as a broker-dealer since January 2019 for municipal issuers of tax-exempt and taxable commercial paper issues, including a list of commercial paper transactions, separating tax-exempt and taxable paper, as an attachment. Please highlight specific experience with the City's programs. If your day-to-day contact or lead underwriter has experience with the City or other California issuers from a prior role between now and January 2019, please include experience and indicate that it was while at another firm.
- d. Describe the services that your firm will provide as broker-dealer. Describe your firm's



manual and automated systems for tracking commercial paper rolls. Include descriptions of the types and availability of reports.

**Section D: Investment Banking Qualifications for Land-Secured Assessment Financings (up to two (2) pages)**

1. Please provide any recommendations your firm has for the City's land-secured assessment portfolio. How has your firm successfully applied these ideas for other issuers? In what way is your firm uniquely qualified to help the City execute on these recommendations?
2. Describe your firm's experience serving as an underwriter for land-secured assessment financings in California since January 2014, including the date of sale, issuer, par amount and if your firm was a senior or co-manager. If your day-to-day contact or lead underwriter has experience with the City or other California issuers from a prior role between now and January 2014, please include experience and indicate that it was while at another firm.

**Section E: Investment Banking Qualifications for Unique Financing Transactions such as Public/Private Partnerships and Pension Obligation Bonds (up to two (2) pages)**

1. Provide your experience with public/private partnerships. Describe your firm's role in the transaction, whether as an underwriter or financial advisor. What public/private partnership opportunities would your firm recommend the City to pursue?
2. Based on your understanding of the City and its pension systems, please provide your thoughts about debt financing the Unfunded Actuarial Liability (UAL).
3. Please provide thoughts regarding any new financing ideas or financing programs not currently employed by the City that it could implement to lower its overall cost of funds or annual debt service.

**Section F: References**

Please provide one reference for each program for which you are applying:

- Long-term debt – Lease Revenue Bonds
- Long-term debt – Revenue Bonds
- Land secured financing
- Short-term debt – VRDO remarketing agent, Commercial Paper dealer, other short-term note
- Unique financing

References should be from issuers for whom the firm has provided related services and should be specific to the banking and underwriting team responsible for the City's account. Underwriters should request that their references complete the reference form included in Attachment 7 and send via email to [cao.debt@lacity.org](mailto:cao.debt@lacity.org) by November 22, 2024 by 4:00p.m. Underwriters will not be disqualified if their references do not complete the form by the due date. However, it should be expected that the City will follow up with the issuer on behalf of the underwriter for the reference if it is not received by the due date.

**6. ADDITIONAL MATERIALS**

The City's continuing disclosure filings are accessible at the [Electronic Municipal Market Access \(EMMA\) website](#). For information regarding the CAO and its bond programs, including the City's Debt Management Policy, please visit the [City of Los Angeles Investor Relations website](#).



## 7. SELECTION PROCESS

The CAO reserves the sole right to judge the contents of all Statements of Qualifications. Firms that submit Statements of Qualifications that, in the CAO's sole discretion, are incomplete and/or do not follow content and format guidelines may be disqualified without further consideration. Failure of a Proposer to specifically respond to each RFQ item, or any other information requested by the City, may be grounds for rejecting a proposal in its entirety.

After receipt of a proposal, but prior to award of any contract, the City, at its sole discretion, may require any or all Proposers to submit additional information and/or to meet with City personnel via video conference.

The City, at its option, may reject any and all submissions in response to this RFQ, or waive any informality in a proposal when to do so would be to the advantage to the City.

**Please read this RFQ carefully and follow all instructions to ensure compliance with City requirements and requests for information.** The specific requirements, instructions to firms and qualifications evaluation methodology are described in detail in this RFQ. Based on a review and evaluation of the information submitted, the CAO will recommend to the Mayor and City Council the selection of specific underwriters for the Qualified List.

### **Statement of Qualifications Evaluation**

The Statements of Qualifications will be evaluated based on the following factors:

- (i) **General Firm Qualifications (25%):** Includes personnel assigned to work on the City's financing transactions
- (ii) **Experience with Specific Financing Transactions (50%):** Ability to structure and issue securities to achieve the lowest true interest cost. To be considered for the work, firms must demonstrate knowledge and/or experience with similar transactions. Additionally, firms should have references that can attest to the quality of the firms' past work.
- (iii) **Firm's Understanding of the City and Ability to Address Financing Needs (25%):** Appropriateness of analysis and recommendations for City financings, taking City's debt policy and constraints into consideration

Firms will be evaluated by a panel of City staff based on quality and responsiveness of their proposals. The City reserves the sole right to assign weightings to the selection criteria, which may be subject to change. To be considered for the engagement, firms must have references that can attest to the quality of the firms' past work experience. The City reserves the sole right to judge the contents of all proposals and, at its sole discretion, may disqualify proposals if they are incomplete and/or do not follow content and format guidelines.

After an initial review of qualifications, the City will short list firms that are initially deemed qualified and those firms will then proceed to the oral interview, if necessary. The City reserves the right to conduct oral interviews at its discretion, but also may deem them unnecessary. These interviews will be evaluated and included as part of the overall evaluation process, but may not be required of all firms. The City reserves the right in its sole discretion to select the firms and the nature of their engagement for each transaction as deemed appropriate by the City.



## **Responsiveness Criteria**

To be considered responsive to this RFQ, firms must submit completed proposals to all items requested. Failure to include satisfactory responses to these items may result in the City rejecting such proposals as nonresponsive. If your firm is awarded a contract, the firm must comply with the City's Standard Provisions for City Contracts (see Attachment 2).

## **8. ABILITY TO ADD FIRMS TO THE QUALIFIED LIST**

In the future, to improve opportunities for firms to do business with the City, the CAO intends to periodically release a new RFQ to allow firms to apply to join the Qualified List during the term of the Qualified List, which expires on March 9, 2027, with the option for 4 one-year extensions beyond the expiration date at the City's discretion. Firms approved to serve on the Qualified List as co-managers will have the opportunity to apply for senior manager roles through the periodic RFQ process. The CAO anticipates posting the RFQ on RAMP every three years. Firms recommended to serve on the Qualified List as co-managers will have the opportunity to apply for senior manager roles through the periodic RFQ process. Following the evaluation of responses to this RFQ, the CAO will report to the City Council with a recommendation to add firms to the Qualified List.

## **9. PROPOSAL APPEAL PROCESS**

The City will notify all proposers of their qualification status by e-mail and of their right to file an appeal, when applicable. Proposers may appeal procedural issues only. An appeal based on non-selection alone or disagreement with the selected recommendation for pre-qualification is not sufficient grounds for an appeal. Written appeals may not include any new or additional information that was not submitted with the original proposal. Only one appeal per proposal will be permitted. Any appeal must be submitted by e-mail to the Debt Management Group at [cao.debt@lacity.org](mailto:cao.debt@lacity.org) within three (3) business days of the RFQ status notification e-mail date. The e-mail must use the subject line: *APPEAL: Proposer's Company Name: RFQ #216700 Investment Banking Services*.

The procedure and time limits set forth in the following paragraphs are mandatory and are the proposers' sole and exclusive remedy in the event of an appeal. Failure by a party originating an appeal to comply with these procedures shall constitute a waiver of any right to further pursue the appeal, including filing a Government Code claim or legal proceedings.

At a minimum, any written appeal document must include the following:

- Name, address, and telephone number of the appealing party.
- Name and number of this RFQ.
- Detailed narrative statement of the legal and/or factual grounds of the appeal, including copies of all relevant documents. The statement must also refer to the specific portion of the documents that form the basis of the appeal.
- Statement as to the form of relief requested.

Appeals may not be more than two (2) word processed pages. Appeals and attached documentation (if applicable) will only be accepted by e-mail in PDF format to [cao.debt@lacity.org](mailto:cao.debt@lacity.org) with the subject line: *APPEAL: Proposer's Company Name: RFQ #216700 Investment Banking Services*.



## **10. GENERAL REQUIREMENTS, TERMS, AND CONDITIONS**

### General City Reservations

1. The City reserves the right to verify the information in the response.
2. If a firm knowingly and willfully submits false information or other data, the City reserves the right to reject that response. If a contract is awarded as a result of false statements or other data submitted in response to this RFQ, the City reserves the right to terminate that contract.
3. Submission of a response to this RFQ shall constitute acknowledgment and acceptance of the terms and conditions set forth herein. Responses and the offers contained therein shall remain valid for a period of 120 days from the date set for receipt of responses. Firms awarded a contract pursuant to this RFQ will be required to enter into a written contract with the City as approved by the City. This RFQ and responses, or any parts thereof, may be incorporated into and made a part of the final contract. The City reserves the right to further negotiate the terms and conditions of the contract. The final contract offer of the City may contain additional terms or terms different from those set forth herein.
4. Late responses will not be considered. The City, in its sole discretion, reserves the right to determine the timeliness of all responses submitted.
5. The City reserves the right to waive any informality in the process when to do so is in the best interest of the City.
6. The City reserves the right to withdraw this RFQ at any time without prior notice and the right to reject any and all responses. The City makes no representation that any contract will be awarded to any firm responding to this RFQ. The City reserves the right to extend the deadline for submission. Firms will have the right to revise their response in the event the deadline is extended.
7. A proposer may withdraw its response prior to the specified due date and time. A request to withdraw, signed by an authorized representative of the proposer, must be submitted to the City at the e-mail address specified herein for submittal of proposal. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time prior to the specified submission deadline.
8. All costs of response preparation shall be borne by the Proposer. The City shall not, in any event, be liable for any pre-contractual expenses incurred by the Proposer in the preparation and/or submission of the Proposer's response.
9. Unnecessarily elaborate or lengthy responses or other presentations beyond those needed to give sufficient and clear response to all of the RFQ requirements are not desired.
10. The response must set forth accurate and complete information as required in this RFQ. Unclear, incomplete, and/or inaccurate documentation may not be considered for contract award.
11. Responses shall be reviewed and rated by the City as submitted. Firms may make no changes or additions after the deadline for receipt.
12. A firm will not be recommended for a contract award, regardless of the merits of the response submitted, if it has a history of contract noncompliance with the City or poor past or current performance with the City.



13. The City reserves the right to retain all responses submitted and the responses shall become the property of the City. Any department or agency of the City has the right to use any of the ideas presented in the responses submitted in response to this RFQ. All responses received by the City will be considered public records subject to disclosure under the California Public Records Act (California Government Code Section 6250 et seq.). See Notice to Firms Regarding the California Public Records Act section above. Applicants must identify any material they claim is exempt from disclosure under the California Public Records Act. In the event such exemption is claimed, the applicant will be required to state in the response that he or she will defend any action brought against the City for its refusal to disclose such material to any party making a request thereof. Failure to include such a statement shall constitute a waiver of Proposer's right to exemption from disclosure.
14. Upon completion of all work under this contract, ownership and title of all reports, documents, plans, drawings, specifications, and estimates produced as part of this contract will automatically be vested in the City, and no further agreement will be necessary to transfer ownership to any City agency. Copies made for the contractor's records shall not be furnished to others without written authorization from the City.
15. Awards of contracts from this RFQ are expected within the timeline indicated in this RFQ, unless otherwise notified.
16. The City may award a contract on the basis of the RFQ submitted, without discussions, or may negotiate further with those Proposers within a competitive range. Proposals should be submitted on the most favorable terms the Proposer can provide.
17. To be considered responsive to this solicitation, firms must submit completed responses to all items requested including Required City Forms (see Attachment 2). Failure to include satisfactory responses to these items may result in the City rejecting such proposals as non-responsive. If your firm is awarded a contract, the firm must comply with the City's Standard Provisions for City Contracts (see Attachment 2).
18. Respondents are advised, pursuant to [Executive Directive 35](#), if a bidder is selected and awarded a contract, and if the contractor is a for-profit company or corporation, the contractor shall, within 30 days of the effective date of the contract and on an annual basis thereafter (i.e., within 30 days of the anniversary of the effective date of the contract), report the following information to City via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by City: contractor's and any subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("contractor/subcontractor Information"). On an annual basis, the contractor shall further request that any subcontractor input or update its business profile, including the contractor/subcontractor information, on RAMP or via another method prescribed by City.

## **11. SUBMITTALS**

**Acceptance of submittals delivered after the stated deadline will be at the CAO's sole discretion.**

Firms should (1) email the full submittal, including all required forms, and a redacted copy to [cao.debt@lacity.org](mailto:cao.debt@lacity.org) and (2) upload required forms to RAMP by 4:00 p.m. PT on November 22, 2024.

All materials submitted in accordance with this RFQ become the property of the City and will not be returned. The City reserves the rights to cancel this RFQ, reject any and all submittals and to waive



irregularities. The City and its advisors will not be liable for any costs associated with your firm's preparation of its response to this RFQ. Nothing in this RFQ, the responses or the City's acceptances of any response in whole or in part shall obligate the City to complete negotiations with the related respondent. The City will not provide an engagement letter to any respondent. The City reserves the right to end, at its sole discretion, negotiation with any respondent at any time up to the consummation of the transaction arising from this RFQ. The City reserves the right to conduct independent reviews in addition to the information submitted by your firm.

The City reserves the right in its sole discretion to select the firms and the nature of their engagement for each transaction as deemed appropriate by the City. **There is no guarantee that every firm selected to be on the City's Qualified List will be awarded a contract during the term of the list.**

Any contact with CAO staff, elected Officials or any City personnel related to this RFQ prior to the formal appointment of firms to the qualified list is expressly **prohibited** without the consent of the CAO representative, Ha To, Chief of Debt Management. Any firm violating this request will be excluded from the selection process. If you have any questions regarding this RFQ, please feel free to contact the Debt Management Group by e-mail at [cao.debt@lacity.org](mailto:cao.debt@lacity.org). All questions and answers will be posted as addenda to the RFQ on RAMP.

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# **ATTACHMENT 1**

## **Types of Financings**



**TYPES OF FINANCINGS**

City of Los Angeles  
Request for Qualifications for Investment Banking Services

All firms seeking to serve as senior and/or co-manager must select the type of financings for which they are applying.

Senior Manager      Co-manager

☐☐

**1. General Fund Lease Financings**

☐☐

**2. Land-Secured Mello-Roos Special Tax Financings**

☐☐

**3. Solid Waste Resources Revenue Bonds**

☐☐

**4. Special Tax or Assessment District Financings**

☐☐

**5. Wastewater System Revenue Bonds**

☐☐

**6. Tax and Revenue Anticipation Notes**

☐☐

**7. Other Types of Transactions**

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Indicate if you are applying to serve as a Remarketing Agent and/or Commercial Paper Dealer.

☐

**9. Remarketing Agent**

☐

**10. Commercial Paper Dealer**



## **ATTACHMENT 2**

### **Required City Forms, Standard Provisions for City Contracts And Insurance Requirements**



## **A. Nondiscrimination, Equal Employment Practices**



# CITY OF LOS ANGELES

## NONDISCRIMINATION • EQUAL EMPLOYMENT PRACTICES CONSTRUCTION & NON-CONSTRUCTION CONTRACTOR

Los Angeles Administrative Code (LAAC), Division 10, Chapter 1, Article 1, Section 10.8 stipulates that the City of Los Angeles, in letting and awarding contracts for the provision to it or on its behalf of goods or services of any kind or nature, intends to deal only with those contractors that comply with the non-discrimination and Affirmative Action provisions of the laws of the United States of America, the State of California and the City of Los Angeles. The City and each of its awarding authorities shall therefore require that any person, firm, corporation, partnership or combination thereof, that contracts with the City for services, materials or supplies, shall not discriminate in any of its hiring or employment practices, shall comply with all provisions pertaining to nondiscrimination in hiring and employment, and shall require Affirmative Action Programs in contracts in accordance with the provisions of the LAAC. The awarding authority and/or Office of Contract Compliance of the Department of Public Works shall monitor and inspect the activities of each such contractor to determine that they are in compliance with the provisions of this chapter.

### **I. Los Angeles Administrative Code Section 10.8.2 All Contracts: Non-discrimination Clause**

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

### **II. Los Angeles Administrative Code Section 10.8.3. Equal Employment Practices Provisions**

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

**A.** During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

**B.** The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

**C.** As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

**D.** The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

**E.** The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.



F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

**Equal Employment Practices Provisions Certification – The Contractor by its signature affixed hereto declares under penalty of perjury that:**

1. The Contractor has read the Nondiscrimination Clause in Section I above and certifies that it will adhere to the practices in the performance of all contracts.
2. The Contractor has read the Equal Employment Practices Provisions as contained in Section II above and certifies that it will adhere to the practices in the performance of any construction contract or non-construction contract of \$1,000 or more.

---

COMPANY NAME

---

AUTHORIZED SIGNATURE

---

ADDRESS

---

NAME AND TITLE (TYPE OR PRINT)

---

CITY, COUNTY, STATE, ZIP

---

TELEPHONE/E-MAIL



## **B. Affirmative Action Program**



## **AFFIRMATIVE ACTION PLAN**

The following contracts are subject to the City of Los Angeles Affirmative Action Program as required by the Los Angeles Administrative Code (LAAC) Section 10.8.4 et seq.:

- Every non-construction contract of \$100,000 or more;
- Every construction contract of \$5,000 or more.

**Purpose** - An affirmative action program is a management tool designed to ensure equal employment opportunity. A central premise underlying affirmative action is that, absent discrimination, over time a contractor's workforce, generally, will reflect the gender, racial and ethnic profile of the available labor pools. Therefore, as part of its affirmative action program, a contractor monitors and examines its employment decisions and compensation systems to ensure equal employment practices, and takes steps to correct underutilization of women and minorities.

**Contractors are subject to all provisions contained in LAAC Section 10.8.4 et seq. which can be found at <http://bca.lacity.org>. The excerpts below are provided to serve as a starting point for satisfying these requirements:**

*LAAC Section 10.8.4 (B)* The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

*LAAC Section 10.8.4(K)* The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract.

*LAAC Section 10.8.4(M)* The Affirmative Action Plan required to be submitted shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors, and suppliers of all racial and ethnic groups, provided, however that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage;
6. The entry of qualified women, minority and all other journeymen into the industry; and
7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

*LAAC Section 10.8.4(Q)* All contractors subject to the provisions of the section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor.



## CONTRACTOR DECLARATION

In pursuit of accomplishing the intent of the City's Affirmative Action Program, the contractor certifies and agrees to immediately implement good faith efforts, measures to recruit and employ minority, women, and other potential staff in a nondiscriminatory manner including, but not limited to, the following actions. The contractor shall:

- (a) Recruit and make efforts to obtain such employees.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a nondiscriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in such training programs to enhance their skills and advancement.
- (d) Maintain such records as are necessary to determine compliance with equal employment and affirmative action obligations, and making such records available to City, State and Federal authorities upon request.
- (e) Said policies shall be provided to all employees, subcontractors, vendors, unions and all others with whom the contractor may become involved in fulfilling any of its contracts.

### Requirements For Construction Contractors ONLY

Construction contractors are additionally subject to all provisions contained in LAAC Section 10.13 et. seq. which can be found at <http://bca.lacity.org>. As part of these provisions, construction contractors are required to:

1. Submit an **Anticipated Employment Utilization Report (AEUR)** with each new bid for purposes of effectuating this Affirmative Action Plan for the specific project. The AEUR can be found in the bid documents or at <http://bca.lacity.org>.
2. Establish a person at the management level of the contracting entity to be the Equal Employment Opportunity (EEO) Officer. Such individual must have the authority to disseminate and enforce the company's Equal Employment and Affirmative Action Policies.

\_\_\_\_\_  
NAME OF EEO OFFICER

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
E-MAIL

\_\_\_\_\_  
PHONE NUMBER

**By its execution hereof, the contractor accepts and submits the foregoing as its Affirmative Action Plan. I certify under penalty of perjury under the laws of the State of California that I have read and understood the foregoing requirements of LAAC Section 10.8 et seq. and agree to comply with them while under contract as set forth therein.**

Executed this \_\_\_\_ day of \_\_\_\_\_, in the year 20\_\_, at \_\_\_\_\_, \_\_\_\_\_.  
(CITY) (STATE)

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
TELEPHONE/E-MAIL

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
NAME AND TITLE (TYPE OR PRINT)

\_\_\_\_\_  
CITY, COUNTY, STATE, ZIP



**C. Americans with Disabilities Act Policy, 42  
U.S.C. Section 12101**



**CERTIFICATION REGARDING COMPLIANCE WITH THE  
AMERICANS WITH DISABILITIES ACT**

The undersigned certifies, that to the best of his/her knowledge and belief, that:

1. The Contractor/Borrower/Agency hereafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et seq. and its implementing regulations.
2. The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.
3. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.
4. The Contractor will require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans and cooperative Contracts) and that all subrecipients shall certify and disclose accordingly.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

Contract Number \_\_\_\_\_

\_\_\_\_\_  
Contractor/Borrower/Agency

\_\_\_\_\_  
Name and Title of Authorized Representative

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date



**D. Child Support Ordinance, Los Angeles  
Administrative Code Section 10.10**



## CHILD SUPPORT OBLIGATIONS

The City of Los Angeles has adopted an ordinance requiring that all contractors and subcontractors performing work for the City comply with all reporting requirements and wage and earning assignments relative to legally mandated child support. As a result, every contract that is let, awarded, or entered into with or on behalf of the City of Los Angeles shall contain the following provision:

The Contractor(s) and any Subcontractor(s) must fully comply with all applicable State and Federal employment reporting requirements for the Contractor(s)' and any Subcontractor(s)' employees. The Contractor(s) and any Subcontractor(s) must fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with the California Family Code. The Contractor(s) and any Subcontractor(s) must certify that the principal owner(s) thereof (any person who owns an interest of 10 percent or more) are in compliance with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally. The Contractor(s) and any Subcontractor(s) must certify that such compliance will be maintained throughout the term of the contract.

Failure of the Contractor(s) and/or any Subcontractor(s) to fully comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under to contract. Failure of the Contractor(s) and/or any Subcontractor(s) or principal owner(s) thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

All Requests for Proposals, Requests for Qualifications, Invitations for Bids, advertisements for bids, and other similar documents must give notice of these provisions to those who bid on or submit proposals for prospective contracts with the City. **All bidders and proposers are required to complete the attached Certification of Compliance with Child Support Obligations. Failure to return the completed certification as part of the bid or proposal will result in the bid or proposal being deemed unresponsive and being rejected.**



**CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS**

The undersigned hereby agrees that \_\_\_\_\_ will:  
Name of Business/Borrower

1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.
2. Fully comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment.
3. Certify that the principal owner(s) of the Business/the Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.
4. Certify that the Business/Borrower will maintain such compliance throughout the term of the contract.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.
6. The undersigned shall require that the language of this Certification be included in all subcontracts and that all subcontractors shall certify and disclose accordingly.

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

\_\_\_\_\_  
City/County State

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name of Authorized Officer or Representative Title

\_\_\_\_\_  
Signature of Authorized Officer or Representative

\_\_\_\_\_  
Date Telephone Number



**E. Contractor Responsibility Ordinance - Pledge  
of Compliance and Questionnaire**



# CITY OF LOS ANGELES RESPONSIBILITY QUESTIONNAIRE

**RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM.** In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

**A. CONTACT INFORMATION**

CITY DEPARTMENT INFORMATION  
Office of the City Attorney

City Department/Division Awarding Contract	City Contact Person	Phone
--	---------------------	-------

City Bid or Contract Number (if applicable) and Project Title

**BIDDER/CONTRACTOR INFORMATION**

Bidder/Proposer Business Name

Street Address	City	State	Zip
----------------	------	-------	-----

Contact Person, Title	Phone	Fax
-----------------------	-------	-----

**TYPE OF SUBMISSION:**

The Questionnaire being submitted is:

- ☐ An initial submission of a completed Questionnaire.
- ☐ An update of a prior Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_.
- ☐ No change. I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the last Responsibility Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_ was submitted by the firm. Attach a copy of that Questionnaire and sign below.

Print Name, Title	Signature	Date
-------------------	-----------	------

**TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS:** \_\_\_\_\_



**B. BUSINESS ORGANIZATION/STRUCTURE**

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

☐ **Corporation:** Date incorporated: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of incorporation: \_\_\_\_\_

List the corporation's current officers.

President: \_\_\_\_\_

Vice President: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

☐ Check the box only if your firm is a publicly traded corporation.

List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

\_\_\_\_\_  
\_\_\_\_\_

☐ **Limited Liability Company:** Date of formation: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of formation: \_\_\_\_\_

List members who own 5% or more of the company. Use Attachment A if more space is needed.

\_\_\_\_\_  
\_\_\_\_\_

☐ **Partnership:** Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of formation: \_\_\_\_\_

List all partners in your firm. Use Attachment A if more space is needed.

\_\_\_\_\_  
\_\_\_\_\_

☐ **Sole Proprietorship:** Date started: \_\_\_\_/\_\_\_\_/\_\_\_\_

List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

\_\_\_\_\_  
\_\_\_\_\_

☐ **Joint Venture:** Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_

List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

\_\_\_\_\_  
\_\_\_\_\_



**C. OWNERSHIP AND NAME CHANGES**

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

☐ **Yes**     ☐ **No**

If **Yes**, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

☐ **Yes**     ☐ **No**

If **Yes**, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

☐ **Yes**     ☐ **No**

If **Yes**, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

☐ **Yes**     ☐ **No**

If Yes, list on Attachment A the name of the corporation or partnership that actually holds the license.

**Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.**

**The responses in this Questionnaire will not be made available to the public for review. This is not a public document. [ CPCC §20101(a) ]**



**D. FINANCIAL RESOURCES AND RESPONSIBILITY**

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?

☐ **Yes**    ☐ **No**

If **Yes**, explain the circumstances on Attachment B.

**E. PERFORMANCE HISTORY**

7. How many years has your firm been in business? \_\_\_\_\_ Years.

8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?

☐ **Yes**    ☐ **No**

If, **Yes**, list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

☐ Check the box if you have not had any similar contracts in the last five years

10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.



**F. DISPUTES**

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

(a) Payment to subcontractors?

☐ **Yes**    ☐ **No**

(b) Work performance on a contract?

☐ **Yes**    ☐ **No**

(c) Employment-related litigation brought by an employee?

☐ **Yes**    ☐ **No**

14. Does your firm have any outstanding judgements pending against it?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

**G. COMPLIANCE**

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.



18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

#### H. BUSINESS INTEGRITY

19. For questions (a), (b), and (c) below, check **Yes** if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check **Yes** to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

- (a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

☐ **Yes**    ☐ **No**

- (b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

☐ **Yes**    ☐ **No**

- (c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

☐ **Yes**    ☐ **No**

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

☐ **Yes**    ☐ **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

#### CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

---

Print Name, Title

Signature

Date



**ATTACHMENT A FOR SECTIONS A THROUGH C**

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

**Page** \_\_\_\_\_



**ATTACHMENT B FOR SECTIONS D THROUGH H**

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

**Page** \_\_\_\_\_



**ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16**

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been investigated, cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term “owner” does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

**FEDERAL ENTITIES****Federal Department of Labor**

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

**Federal Department of Justice**

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

**Federal Department of Housing and Urban Development (HUD)**

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

**Federal Environmental Protection Agency**

- Environmental Protection Act

**National Labor Relations Board**

- National Labor Relations Act

**Federal Equal Employment Opportunity Commission**

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

**STATE ENTITIES****California's Department of Industrial Relations**

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

**California's Department of Fair Employment and Housing**

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

**California Department of Consumer Affairs**

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

**California's Department of Justice****LOCAL ENTITIES**

**City of Los Angeles** or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

**OTHERS**

**Any other federal, state, local governmental entity** for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.



**CITY OF LOS ANGELES**  
**PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE**

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least \$25,000 and three months, contracts for services and for purchasing goods and products that involve a value in excess of twenty-five thousand dollars (\$25,000) and a term in excess of three months are covered by this Article; and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

**Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.**

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Company Name, Address and Phone Number

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Signature of Officer or Authorized Representative

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Date

---

Print Name and Title of Officer or Authorized Representative

---

Awarding City Department

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Contract Number



**F. Equal Benefits Ordinance, Los Angeles  
Administrative Code Section 10.821/First  
Source Hiring Ordinance**



## **Equal Benefits Ordinance (EBO) / First Source Hiring Ordinance (FSHO)**

If a contract is subject to the Equal Benefits Ordinance (EBO) and/or the First Source Hiring Ordinance (FSHO), Bidders/Proposers are required to complete a streamlined Equal Benefits Ordinance/First Source Ordinance Compliance Affidavit web form that is located on the City of Los Angeles' Regional Alliance Marketplace for Procurement (RAMP) at [www.rampla.org](http://www.rampla.org). Bidders/Proposers are responsible for creating a RAMP profile and completing and submitting the affidavit. A print out or screenshot of the submission on RAMP should be submitted with the proposal. See below for additional details about the EBO and the FSHO.

### **Equal Benefits Ordinance (EBO):**

Bidders/Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO).

All Bidders/Proposers shall complete and submit the Equal Benefits Ordinance/First Source Ordinance Compliance Affidavit, available on the City of Los Angeles' Regional Alliance Marketplace for Procurement (RAMP) at [www.rampla.org](http://www.rampla.org), prior to award of a City contract that exceeds \$25,000. The affidavit shall be valid for a period of three years from the date it is first submitted on the City's RAMP. Bidders/Proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the EBO/FSHO Affidavit.

Bidders/Proposers seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.

### **First Source Hiring Ordinance (FSHO)**

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which exceeds \$25,000 with a term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO).

All Bidders/Proposers shall complete and electronically sign the Equal Benefits Ordinance/First Source Ordinance Compliance Affidavit available on the City of Los Angeles' Regional Alliance Marketplace for Procurement (RAMP) at [www.rampla.org](http://www.rampla.org), prior to award of a City contract. The affidavit shall be valid for a period of three years from the date it is first submitted on the City's RAMP.

Bidders/Proposers seeking additional information regarding the requirements of the First Source Hiring Ordinance may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.



**CITY OF LOS ANGELES**  
**EQUAL BENEFITS ORDINANCE**  
(Los Angeles Administrative Code Section 10.8.2.1)

**1. What is the Equal Benefits Ordinance?**

The Equal Benefits Ordinance (EBO) requires that City contractors who provide benefits to employees with spouses must provide the same benefits to employees with domestic partners.

**2. What types of agreements are covered by the Ordinance?**

The Ordinance covers any City agreement over \$25,000. This includes agreements for grants, services, the purchase of goods, construction, and leases.

**3. When does the Ordinance become applicable?**

The original Ordinance became effective on January 1, 2000. The original Ordinance was applicable mostly to service contracts and leases of City property. However, in February 2003, the Ordinance was amended to also cover competitively bid contracts such as construction and procurement contracts. Because of the amendment, the Ordinance applies to competitively bid contracts amended after April 1, 2003 and competitive bids released after May 1, 2003.

**4. Are agreements entered into before the effective date of the Ordinance affected?**

In general, agreements executed prior to January 1, 2000 become subject to the Ordinance if they are amended, modified, or renewed after January 1, 2000. For competitively bid agreements, the Ordinance becomes applicable if they are amended, modified, or renewed after April 1, 2003. At the time of amendment, modification, or renewal, the awarding authority must incorporate the requirements of the Ordinance into the agreement.

**5. Who is covered by the Ordinance?**

The Ordinance applies to the following:

- Any contractor that has an agreement with the City.
- All City contractor's other operations located within the City limits, even if those operations are not involved in the City agreement.
- Any of the contractor's operations if it is on property owned by the City, or on property that the City has a right to occupy.
- The contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the subject City agreement.

**6. What is a covered contractor required to do under the Ordinance?**

The Ordinance requires the contractor to:



- Certify that equal benefits will be provided to employees with spouses and to employees with domestic partners.
- Post a copy of the following statement in an area frequented by employees: “During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners.”
- Allow the City access to records so that the City can verify compliance with the Ordinance.

## **7. What benefits are included?**

The Ordinance applies to all benefits offered by an employer. This includes, for example, bereavement leave, family medical leave, medical, dental, and vision benefits, membership or membership discounts, moving expenses, travel and relocation benefits, and retirement plans.

## **8. How does the Ordinance define a “domestic partner”?**

“Domestic partner” means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration, or with an internal registry maintained by the employer of at least one of the Domestic Partners.

## **9. What if the actual cost to a contractor of providing a benefit to an employee’s domestic partner is more than the cost of providing the benefit to an employee’s spouse?**

In that case, the contractor may require that the benefit will be provided to the employee’s domestic partner only if the employee agrees to pay for the extra cost of the benefit. The contractor may do the same if the actual cost to the employer of providing a benefit to an employee’s spouse is more than the cost of providing the benefit to an employee’s domestic partner.

## **10. What happens if a contractor is found to be in violation of the Ordinance?**

The City may take the following steps:

- The contractor may be deemed to be in material breach of the City agreement.
- The agreement may be canceled, terminated, or suspended, in whole or in part.
- The City may also retain money due to the contractor
- The contractor may be deemed a non-responsible bidder and disqualified from contracting with the City under the Contractor Responsibility Ordinance.
- The City may pursue other legal remedies.

## **11. Are there any exceptions or waivers to the Ordinance?**

An awarding authority may apply to the Department of Public Works, Bureau of Contract



Administration, Office of Contract Compliance (OCC) for a waiver in the following situations:

- The contractor is the only provider of a needed good or service.
- The contractor is the only bidder or contractor willing to enter into an agreement with the City for use of City property.
- The agreement is necessary to respond to an emergency situation that endangers the public health or safety, and no contractor that complies with the law is immediately available.
- The agreement involves specialized litigation as certified by the City Attorney's Office.
- The contractor is a public entity providing a good, service, or access to real property that is not available from any other source.
- The contractor is a public entity and the good or service is necessary to serve a substantial public interest
- The application of the Ordinance would conflict with the terms or conditions of a grant agreement with a public agency.
- The agreement is essential to the City or the City's residents and no other contractor that complies with the Ordinance is available.
- The agreement is for a bulk purchasing agreement through City, federal, state, or regional entities that reduce the City's purchasing cost.
- The agreement involves the investment of certain types of monies, or instances in which the City will incur a financial loss that would violate the Treasurer's or City Administrative Officer's fiduciary duties.

#### **12. What if a contractor is subject to a collective bargaining agreement?**

The Ordinance does not apply to a collective bargaining agreement (CBA) that was in effect prior to the Ordinance becoming applicable to the Contractor. However, in order to contract with the City, the contractor must certify that if the CBA is subsequently amended, extended, or otherwise modified, the contractor will propose to the union that the requirements of the Ordinance be incorporated into the CBA. Upon request, the contractor must verify for the City the steps taken to come into compliance with the EBO.

#### **13. Who is responsible for administering and enforcing the requirements of the Ordinance?**

The Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance, located at 1149 S. Broadway Street, 3<sup>rd</sup> Floor, Los Angeles, CA 90015. For additional information, please call (213) 847-2632, or go to the OCC website at [www.lacity.org/bca](http://www.lacity.org/bca).

#### **14. Where can a domestic partnership be registered?**

Many governmental agencies offer domestic partnership registries. Two local governmental entities that offer such registries include the County of Los Angeles and the City of West Hollywood.



**Los Angeles County**

Couples may file a Statement of Domestic Partnership with the Los Angeles County Department of Registrar-Recorder/County Clerk. The County registry is available to same sex and different sex couples. Couples must both be 18 years of age or older and at least one partner must reside or work within Los Angeles County.

For additional information, contact the Registrar-Recorder/County Clerk at (562) 462-2060. The Los Angeles County Department of Registrar-Recorder/County Clerk webpage at <http://regrec.co.la.ca.us/scripts/partnership.htm> contains information on where to file a Statement of Domestic Partnership and forms that can be downloaded.

**City of West Hollywood**

Couples may apply for Domestic Partnership registration with City of West Hollywood's Office of the City Clerk. The City of West Hollywood registry is available to couples of the same and different sex. The couple need not work in nor reside in West Hollywood to register.

For additional information, couples may contact the City of West Hollywood's Office of the City Clerk at (323) 848-6332. The City of West Hollywood's website at [www.weho.org](http://www.weho.org) contains information on Domestic Partnership status and forms that can be downloaded.



## **First Source Hiring Ordinance (FSHO)**

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which exceeds \$25,000 with a term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO).

All Bidders/Proposers shall complete and electronically sign the FSHO Compliance Affidavit available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at [www.labavn.org](http://www.labavn.org) prior to award of a City contract. The affidavit shall be valid for a period of three years from the date it is first uploaded on the City's BAVN.

Bidders/Proposers seeking additional information regarding the requirements of the First Source Hiring Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.



## **G. Living Wage Statutory Ordinance Exemption**



# **LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE**

## **CITY OF LOS ANGELES LIVING WAGE ORDINANCE (Los Angeles Administrative Code Section 10.37 et seq.)**

### **1. What is the Living Wage Ordinance?**

The Living Wage Ordinance (LWO) requires employers who have agreements with the City to pay their employees at least a minimum “living wage” and to provide certain benefits. If the agreement is subject to the LWO, the employer must do the following:

- Pay employees working on the subject agreement a wage rate that is at least equal to the “living wage” rate. The “living wage” is adjusted annually and becomes effective July 1 of each year. Employers can obtain information about the living wage rate currently in effect by going to Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website at [www.lacity.org/bca/OCCmain.html](http://www.lacity.org/bca/OCCmain.html).
- Provide employees with at least 12 paid days off per year for sick leave, vacation, or personal necessity; and at least 10 unpaid sick days off per year.
- Tell employees who make less than \$12.00 per hour that they may qualify for the federal Earned Income Tax Credit and provide them with the forms required to apply for the credit.
- Cooperate with the City by providing access to the work site and to payroll and related documents so that the City can determine if the employer is complying with the LWO.
- Pledge to comply with federal laws prohibiting an employer from retaliating against employees for union organizing.
- Not retaliate against any employee who makes claims about non-compliance with the LWO.

### **2. When was the Ordinance adopted?**

The LWO was adopted in May, 1997 and amended in January, 1999.

### **3. What types of agreements are subject to the Ordinance?**

Generally, the LWO covers the following types of agreements:

- An agreement in an amount over \$25,000.00 and for at least three months in which an employer will provide services to or for the City.
- An agreement for the lease or license of City property if the service being performed on the property is something that City employees would otherwise do.
- An agreement for the lease or license of City property that is in a location where a substantial number of the general public might visit.
- An agreement in which the City gives financial assistance for the purpose of promoting economic development or job growth.



- An agreement in which the City determines that applying the LWO would be in the best interest of the City.

**4. Is an agreement subject to the LWO if it was entered into before May, 1997?**

Agreements executed after May, 1997 are subject to the LWO. An agreement entered into before May, 1997 may become subject to LWO if it is later amended or modified in order to add time or money to the original agreement.

**5. Are there any requirements that would apply to an employer who does not have an agreement with City that is subject to the LWO?**

All employers are required to comply with the LWO's prohibition against retaliation, even if the employer does not have an agreement with the City that is subject to the Ordinance.

**6. Are all employees covered by the Ordinance?**

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**7. Are an employer's subcontractors subject to the requirements of the Ordinance?**

A subcontractor may be covered by the Ordinance if the subcontractor performs work on the subject agreement. If so, the subcontractor must also comply with the requirements of the LWO, including all reporting requirements. The prime contractor is responsible for the making sure that the subcontractor complies with the LWO.

**8. What happens if an employer is found to be in violation of the Ordinance?**

Payments due may be withheld. Also, the employer may be deemed to be in material breach of the agreement. When that happens, the City may take the following steps:

- Terminate the agreement and pursue all available contractual remedies.
- Debar the employer from doing business with the City for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last.
- Bring a lawsuit against the employer for all unpaid wages and health benefit premiums and/or seek a fine of up to one hundred dollars (\$100.00) for each day the violation remains uncorrected.

**9. What if a subcontractor is found to be in violation of the Ordinance?**

Because the prime contractor is responsible for making sure that all its subcontractors comply with the LWO, the sanctions listed in answer #8 may be applied to the prime contractor if the subcontractor does not correct the violation(s).



## **10. What can an employee do if an employer is in violation of the Ordinance?**

The employee can submit a complaint to the Office Contract Compliance which will investigate the complaint. Also, the employee can bring his or her own lawsuit against the employer for:

- Back pay for failing to pay the correct wages or correct health benefit premiums.
- Reinstatement and back pay for retaliation.
- Triple the amount of the back pay that is owed if the violation was found by the court to be willful.

## **11. Are there any exemptions available under the Ordinance?**

An employer may apply for an exemption based on the following categories:

- Service agreements that are less than 3 months or \$25,000 or less.
- Agreements for the purchase of goods, property, or the leasing of property (with City as the lessee).
- Construction contracts that do not meet the definition of a service agreement.
- Employees who are required to have an occupational license in order to provide services to or for the City are exempt.
- Employers who are party to a collective bargaining agreement (CBA) that has language stating that the CBA shall supersede the LWO.
- Financial assistance recipients who meet the requirements stated in Section 10.37.1(c) of the LWO.
- Employers (contractors, subcontractors, financial assistance recipients) organized under IRS Code, Section 501(c)(3) whose chief executive officer's hourly wage rate is less than eight times the hourly wage rate of the lowest paid worker are be exempt. However, this exemption does not apply to child care workers.
- Lessees or licensees who have no more than a total of seven employees and who have annual gross revenue of less than \$471,870 (effective July 1, 2012). The qualifying annual gross revenue is adjusted every July.
- One-person contractors, lessees, licensees or financial assistance recipients who employ no workers.
- Agreements that involve other governmental entities.

## **12. Who is responsible for the administration and enforcement of the Ordinance?**

The Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance, located at 1149 S. Broadway, Suite 300, Los Angeles, CA 90015. For additional information, please call (213) 847-2625, send an e-mail inquiry to [bca.eeoe@lacity.org](mailto:bca.eeoe@lacity.org), or go to the Office of Contract Compliance website at <http://bca.lacity.org>.



## LIVING WAGE ORDINANCE STATUTORY EXEMPTIONS

Living Wage Ordinance (LWO) statutory exemptions are now divided into the following three categories:

1. Exemptions that do not require approval from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC).
2. Exemptions that do not require OCC approval but require a Contractor Certification of Exemption.
3. Exemptions that require submission of an Application for Exemption and OCC approval of the Application.

1. **The following exemptions do not require OCC approval or any Contractor Certification:** Departments only need to indicate the exemption in the appropriate category on the LWO Departmental Determination of Coverage Form.

- a. **Less than three months OR less than \$25,000 (LAAC 10.37.1(j)).** Service contracts or Authority for Expenditures that do not meet these thresholds are not covered by the LWO.
- b. **Other governmental entities (LAAC 10.37.1(g)).** Agreements with other governmental entities such as Los Angeles County, the State of California, or the University of California, are not covered by the LWO. Subcontractors to these entities are also not covered by the LWO.
- c. **Purchase of goods, property, or the leasing of property, with the City as lessee (LAAC 10.37.1(j)).** Such contracts are categorically exempt from the LWO unless they include a service component that is more than just incidental (regular and recurring services is required). Examples of such categorically exempt contracts include contracts to purchase office supplies or to lease space to be occupied by City departments.
- d. **Construction contracts, not conforming to the definition of a service contract (LAAC 10.37.1(j)).** Such contracts are categorically exempt from the LWO. Examples include construction of buildings and infrastructure.
- e. **City financial assistance not meeting thresholds (LAAC 10.37.1(c)).** Agreements to provide a contractor with City financial assistance (which typically mean grants or loans provided at interest rates that are lower than the Applicable Federal Rate) are categorically exempt from the LWO if they meet both of the following:
  - (1) The assistance given in a 12-month period is below □1,000,000 AND less than □100,000 per year.
  - (2) The assistance is not for economic development or job growth.
- f. **Business Improvement Districts (BID) (LWO Regulation □11).** Service agreements are categorically exempt from the LWO if the services are funded with the BID's assessment money collected by the City after the formation of the BID. Service contracts in which City money is used to hire firms to help in forming the BID remain subject to the LWO unless the contractor otherwise qualifies for an exemption.

2. **The following exemption categories do not require OCC approval, but the contractor must still submit a Contractor Certification of Exemption from Living Wage (OCC/LW-13).** No OCC approval is required for the exemption to be valid. However, the department must include the Contractor Certification of Exemption with the contract.

- a. **501(c)(3) Non-profit organizations (LAAC 10.37.1(g)).** Employers (contractors, subcontractors, financial assistance recipients) organized under IRS Code Section 501(c)(3) are exempt from the LWO if the hourly wage rate of the corporation's highest paid employee is less than eight times the hourly wage rate of the corporation's lowest paid worker. However, the exemption does not extend to Child



Care Workers as defined in the LWO Rules and Regulations (an employee whose work on an agreement involves the care or supervision of children 12 years of age and under.) A copy of the IRS 501(c)(3) Exemption Letter will be required.

- b. **One-person contractors with no employees (LAAC 10.37.1(f)):** Contractors, lessees, licensees or financial assistance recipients who employ no workers are exempt from the LWO.

**3. The following exemption categories require submission of an application for exemption and OCC approval of the application to be valid.**

- a. **Collective bargaining agreements (CBA) that supersede the LWO (LAAC 10.37.12):** Contractors whose employees are covered by a CBA that supersedes the requirements of the LWO are not subject to the LWO. A copy of the CBA with the superseding language or a letter from the union indicating that the union has agreed to allow the CBA to supersede the LWO will be required to be submitted. Example: Labor agreement between parking contractor and a labor union with language that wages and benefits in the CBA shall supersede the LWO. Contractors must use the LWO Application for Non-Coverage or Exemption form (Form OCC/LW-10) and submit a copy of the CBA or a letter from the union.
- b. **Occupational license (LAAC 10.37.1(f)):** Employees required to possess an occupational license in order to provide the services under the City agreement are not subject to the LWO. However, only the individual employees who are required to possess an occupational license are exempt. Employees who work on the City contract and are not required to possess an occupational license remain subject to the LWO. Example: Under California Labor Code Sections 7375 and 7380, a person must be licensed by the State of California in order to inspect and certify cranes and derricks used in lifting services. Contractors must use the LWO Application for Non-Coverage or Exemption form (Form OCC/LW-10) and submit a listing of the employees who possess occupational licenses and a copy of the licenses.
- c. **Small business exemptions for Public Lessees/Licensees (LAAC 10.37.1(i)):** Small businesses that lease property from the City may apply for OCC approval for LWO exemption if the lessee or licensee: (1) employs no more than a total of seven employees; and (2) has annual gross revenues of less than \$471,870 (adjusted July 1, 2012). This applies only to lessees with lease agreements executed after February 24, 2001, and to amendments executed after February 24, 2001 that add monies or extend term. Use the Application for Small Business Exemption (Form OCC/LW-26a) and submit the application with the documents requested on that form.
- d. **City financial assistance agreements that exceed the LWO monetary thresholds may apply for one of the exemptions below.** Applicants and departments should refer to Regulation 3(c) for the requirements and the documents that must be submitted with the LWO Application for Non-Coverage or Exemption (OCC/LW-10).
  - (1) The City financial assistance recipient (CFAR) is in its first year of operation (LAAC 10.37.1(c)).
  - (2) The CFAR employs fewer than five employees (LAAC 10.37.1(c)).
  - (3) The CFAR would face undue hardship because it employs the long-term unemployed or provides trainee positions to prepare employees for permanent positions (LAAC 10.37.1(c)). REQUIRES COUNCIL APPROVAL.



## LWO EXEMPTION APPLICATION

### CITY OF LOS ANGELES

Department of Public Works  
Bureau of Contract Administration  
Office of Contract Compliance  
1149 S. Broadway Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90015

Phone: (213) 847-1922 – Fax: (213) 847-2777

### LIVING WAGE ORDINANCE APPLICATION FOR NON-COVERAGE OR EXEMPTION

Los Angeles Administrative Code 10.37, the Living Wage Ordinance (LWO), presumes all City contractors (including service contractors, subcontractors, financial assistance recipients, lessees, licensees, sublessees and sublicensees) are subject to the LWO unless an exemption applies. Contractors may submit this form with their bid or proposal to apply for exemption. City departments may also use this form. **Exemptions based on the categories listed below must be approved by the Office of Contract Compliance (OCC) to be valid.**

#### SECTION 1: CONTRACTOR INFORMATION

Company Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_  
Company Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

#### SECTION 2: DEPARTMENT AND CONTRACT INFORMATION

Department Awarding Contract: \_\_\_\_\_ Contract # (if any): \_\_\_\_\_  
Name of Department Contact: \_\_\_\_\_ Department Phone: \_\_\_\_\_  
Contract Amount: \$ \_\_\_\_\_ Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_  
Purpose/ Service Provided: \_\_\_\_\_

#### SECTION 3: EXEMPTION BASIS (Check one of the options below and submit supporting documentation as requested.)

- ☐ **Collective Bargaining Agreements (LAAC 10.37.12):** Contractors who are party to a collective bargaining agreement (CBA) which contains specific language indicating that the CBA will supersede the LWO may receive an exemption as to the employees covered under the CBA.

Required documentation: A copy of the CBA with the superseding language clearly marked, or a letter from the union stating that the union has agreed to allow the CBA to supersede the LWO must be submitted with this application.

- ☐ **Occupational License (LAAC 10.37.1(f)):** Only the individual employees who are required to possess an occupational license to provide services to or for the City are exempt.

Required documentation: A listing of the employees required to possess occupational licenses to perform services to or for the City and copies of their occupational licenses must be submitted with this application.

- ☐ **Other - Cite the LWO code section:** \_\_\_\_\_

Required documentation: Submit a memorandum explaining the basis for the request for application for exemption.

#### SECTION 4: CONTRACTOR CERTIFICATION UNDER PENALTY OF PERJURY

By signing, the contractor certifies under penalty of perjury under the laws of the State of California that the information submitted in support of this application is true and correct to the best of the contractor's knowledge.

Name of Signatory	Signature	Title	Date
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Any approval of this application exempts only the listed contractor from the LWO during the performance of this contract. A subcontractor performing work on this contract is not exempt unless the Office of Contract Compliance has approved a separate exemption for the individual subcontractor.

#### FOR OCC USE ONLY

Approved / Not Approved – Reason: _____	By OCC Analyst: _____	Date: _____
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## **H. Service Contract Worker Retention Ordinance Exemption**



# **CITY OF LOS ANGELES**

## **Service Contractor Worker Retention Ordinance (Los Angeles Administrative Code Section 10.36 et seq.)**

### **1. What is the Service Contractor Worker Retention Ordinance?**

The Service Contractor Worker Retention Ordinance (SCWRO), effective May, 1996, requires a successor contractor and its subcontractors to retain for a 90-day period certain employees who worked for the terminated contractor or its subcontractors for at least 12 months. (See also Question #7 regarding which employees are covered.)

### **2. What is a successor contractor?**

A successor contractor is one who has been awarded an agreement to provide services to or for the City that are similar to those that were provided under a recently terminated agreement.

### **3. What types of agreements are covered by the Ordinance?**

The SCWRO covers the following types of agreements:

- For services in an amount over \$25,000.00 and for at least three months.
- In which the primary purpose is to provide services to or for the City (including leases and licenses).
- In which the City provides financial assistance for the purpose of promoting economic development or job growth.

### **4. What does the Ordinance require a terminated contractor to do?**

The SCWRO requires the terminated contractor to provide the awarding authority with the names, addresses, dates of hire, hourly wage, and job classes of each employee who worked on the City agreement for that terminated contractor or its subcontractor. The awarding authority will provide the information to the successor contractor.

### **5. What does the Ordinance require a successor contractor to do?**

The Ordinance requires the successor contractor to:

- Offer employment and retain for a 90-day period the employees who worked for at least 12 months for the terminated contractor or its subcontractors.
- Not discharge the employees retained under the SCWRO without cause during the 90-day period.
- Perform a written performance evaluation of each employee retained under the SCWRO at the end of the 90-day period.



**6. Do the employees retained under the Ordinance receive any additional protection?**

Employees retained under the SCWRO are employed under the terms and conditions of the successor contractor or as required by law. However, if the agreement the employees are working under is subject to Living Wage Ordinance (LWO), the employees must be paid the wage rate and be provided the benefits required by LWO.

**7. Does the successor contractor have to retain all the prior contractor's employees?**

The SCWRO covers only employees who meet all of the following requirements:

- Earn less than \$15.00 per hour.
- Primary job is in the City working on or under the City agreement.
- Worked for the terminated contractor or its subcontractor for the preceding 12 months or longer.
- Not a managerial, supervisory, or confidential employee; or an employee required to possess an occupational license.

**8. What if the successor contractor determines that fewer employees are required to provide the services than were required by the prior contractor?**

The names of the affected employees will be placed in order by seniority within each job classification. The successor contractor is required to retain employees based on seniority. The names of employees not retained will be placed on a preferential hiring list from which the successor contractor must use for subsequent hires.

**9. What happens if an employee is discharged in violation of the Ordinance?**

The employee may bring a lawsuit against the successor contractor. The employee can also submit a complaint to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance which will investigate the complaint.

**10. What if a contractor is found to be in violation of the Ordinance?**

The City may terminate the agreement or pursue other legal remedies.

**11. Who is responsible for administering and enforcing the Ordinance?**

The Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance, located at 1149 S. Broadway, 3<sup>rd</sup> Floor, Los Angeles, CA 90015. For additional information, please call (213) 847-2625, send an e-mail inquiry to [bca.eeoe@lacity.org](mailto:bca.eeoe@lacity.org), or go to the Office of Contract Compliance website at <http://bca.lacity.org>.



**CITY OF LOS ANGELES**

Department of Public Works, Bureau of Contract Administration  
 Office of Contract Compliance  
 1149 S. Broadway Street, 3<sup>rd</sup> Floor, Los Angeles, CA 90015  
 Phone: (213) 847-1922 – Fax: (213) 847-2777

**SERVICE CONTRACTOR WORKER RETENTION ORDINANCE (SCWRO)**  
**CITY FINANCIAL ASSISTANCE RECIPIENT ("CFAR")**  
**APPLICATION FOR NON-COVERAGE OR EXEMPTION**

A City financial assistance recipient (CFAR), as defined in Los Angeles Administrative Code Section 10.36.1(c), may apply for non-coverage or exemption if they meet the criteria described below. Under LAAC 10.36.1(c), a CFAR means any person that receives from the City in any one year discrete financial assistance for economic development or job growth totaling at least \$100,000. Service contracts for economic development or job growth are also deemed to be financial assistance once the \$100,000 threshold is reached.

Company Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Company Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Department Awarding Financial Assistance: \_\_\_\_\_

Number of Contracts with the City of Los Angeles: \_\_\_\_\_

**(Attach a list identifying the awarding department, contract amount, contract term, and contract purpose.)**

**Please check the box indicating the exemption for which you are applying and follow the instructions.**

☐ **Exemption 1:** A corporation organized under Section 501(c)(3) of the United States Internal Revenue Service Code, that regularly employs homeless persons, persons who are chronically unemployed, or persons receiving public assistance may apply for this exemption.

**To qualify:** Read and sign the statement that follows. Submit this form and a copy of your IRS 501(c)(3) letter to the awarding department, who will then review it and submit it to the Bureau of Contract Administration, Office of Contract Compliance for final approval.

***I certify under penalty of perjury that this corporation regularly employs homeless persons, persons who are chronically unemployed, or persons receiving public assistance.***

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

☐ **Exemption 2:** A corporation organized under Section 501(c)(3) of the United States Internal Revenue Service Code, with an annual operating budget of less than five million dollars (\$5,000,000) may apply for this exemption.

**To qualify:** Submit this form, a copy of your IRS 501(c)(3) letter and a copy of your operating budget for the current fiscal year to the awarding department, who will then review it and submit it to the Bureau of Contract Administration for final approval.

**AWARDING DEPARTMENT'S RECOMMENDATION:**

Approved: \_\_\_\_\_ Not Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Department Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

**FOR BCA USE ONLY**

Approved: \_\_\_\_\_ Not Approved (See Attached): \_\_\_\_\_

Analyst: \_\_\_\_\_ Date: \_\_\_\_\_



**I. Contractor Business Locations and  
Workforce Information**



## CONTRACTOR BUSINESS LOCATIONS AND WORKFORCE INFORMATION

The City Council in consideration of the importance of preserving and enhancing the economic base and well-being of the City encourages businesses to locate or remain within the City of Los Angeles. This is important because of the jobs businesses generate and for the business taxes they remit. The City Council, on January 7, 1992, adopted a motion that requires bidders to state their headquarter address as well as the percentage of their workforce residing in the City of Los Angeles.

Organization: \_\_\_\_\_

### I. Corporate or Main Office Information:

Address	Workforce in Organization:		
	Total Number of Employees	Percentage Working* within City of Los Angeles	Percentage Residing in City of Los Angeles

\* i.e. working for any customer located within the geographical boundaries of the City of Los Angeles

### II. City of Los Angeles Branch Offices Information:

Note: If there are no Los Angeles Branch offices, mark N/A on first line.

Address	Workforce in Los Angeles Branch Office:		
	Total Number of Employees	Percentage Working* within City of Los Angeles	Percentage Residing in City of Los Angeles

\* i.e. working for any customer located within the geographical boundaries of the City of Los Angeles



**J. Non-Collusion Affidavit, Los Angeles City  
Charter Section 386**



### **Affidavit of Non-Collusion**

Proposers shall complete and return with the proposal an Affidavit of Non-Collusion signed by a person(s) authorized to bind the Proposer which includes the following Declaration:

- The proposal is genuine and not a sham or collusive.
- The proposal is not made in the interest of or on behalf any person not named in the proposal.
- The proposer has not directly or indirectly induced or solicited any person to submit a false or sham proposal, or to refrain from submitting a proposal.
- The proposer has not in any manner sought by collusion to secure an advantage over any other proposer.

The Affidavit must be notarized and submitted with the proposal.



## NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF LOS ANGELES

I, \_\_\_\_\_ being first duly sworn, deposes and  
(Type or print name)

says that I am the \_\_\_\_\_ of  
(Type or print title)

\_\_\_\_\_, the party submitting the forgoing RFQ Qualifications/  
(Type or print name of company/firm)

RFP Proposal ("the Proposer"). In connection with the foregoing RFP Proposal, the undersigned declares, states and certifies that:

1. The RFP Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.
2. The RFP Proposal is genuine and not collusive or a sham.
3. The Proposer has not directly or indirectly induced or solicited any other Proposer to submit a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any other proposer or anyone else to submit a sham proposal, or that anyone should refrain from submitting or withdrawing their proposal.
4. The Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to raise or fix the proposal price, or that of any other proposer, or to raise or fix any overhead, profit or cost element of their proposal price or that of any other proposer, or to secure any advantage against the public body awarding the contract or of anyone interested in the proposed contract.
5. All statements contained in the RFP Proposal and related documents are true.
6. The Proposer has not, directly or indirectly, submitted their proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any person, corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_  
(City, County and State)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the  
person who appeared before me.

\_\_\_\_\_  
(Notary Public)

\_\_\_\_\_  
(Notarial Seal)



**K. Iran Contracting Act of 2010 Compliance  
Affidavit**



# **IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT**

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A bidder who “engages in investment activities in Iran” is defined as either:

1. A bidder providing goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The bidder shall certify that at the time of submitting a bid for new contract or renewal of an existing contract, the bidder is **not** identified on the DGS list of ineligible businesses or persons and that the bidder is **not** engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

**California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).**

To comply with the Iran Contracting Act of 2010, the bidder shall provide its vendor or financial institution name, and City business Tax Registration Certificate (BRTC) if available, in completing **ONE** of the options shown below.

## ☐ **OPTION #1: CERTIFICATION**

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

## ☐ **OPTION #2: EXEMPTION**

Pursuant to PCC § 2203(c) and (d), a public entity may permit a bidder or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the bidder or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the bidder or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

VENDOR NAME/ FINANCIAL INSTITUTION	BTRC (OR N/A)
BY (AUTHORIZED SIGNATURE)	TITLE OF THE PERSON SIGNING
NAME OF THE PERSON SIGNING	DATE EXECUTED
CITY APPROVAL (SIGNATURE)	(PRINT NAME)



## **L. City Ethics Form 50 – Bidder Certification**



## Bidder Certification

This form must be submitted with your bid or proposal to the City department that is awarding the contract noted below. If you have questions about this form, please contact the Ethics Commission at (213) 978-1960.

☐ **Original Filing**      ☐ **Amendment:** Date of Signed Original \_\_\_\_\_. Date of Last Amendment \_\_\_\_\_.

Reference Number (Bid, Contract, or RAMP)	Awarding Authority (Department awarding the contract)
Bidder Name	
Address	
Email Address	Phone Number

## Certification

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

A. I am applying for one of the following types of contracts with the City of Los Angeles:

1. A goods or services contract with a value of more than \$25,000 and a term of at least three months;
2. A construction contract with any value and duration;
3. A financial assistance contract, as defined in Los Angeles Administrative Code § 10.40.1(h), with a value of at least \$100,000 and a term of any duration; or
4. A public lease or license, as defined in Los Angeles Administrative Code § 10.40.1(i), with any value and duration.

B. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information in this form is true and complete.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



**M. City Ethics Form 55 – Prohibited  
Contributions**



# Prohibited Contributors (Bidders)

This form must be completed in its entirety and submitted with your bid or proposal to the City department that is awarding the contract. Failure to submit a completed form may affect your bid or proposal. If you have questions about this form, please contact the Ethics Commission at (213) 978-1960.

☐ **Original Filing** ☐ **Amendment:** Date of Signed Original \_\_\_\_\_ Date of Last Amendment \_\_\_\_\_

Reference Number (Bid, Contract, or RAMP): \_\_\_\_\_ Date Bid Submitted: \_\_\_\_\_

Contract Description (Title of the RFP or City contract solicitation and description of the services to be provided):  
\_\_\_\_\_

Awarding Authority (Department awarding the contract): \_\_\_\_\_

Bidder Name: \_\_\_\_\_

Bidder Address: \_\_\_\_\_

Bidder Email Address: \_\_\_\_\_ Bidder Phone Number: \_\_\_\_\_

## Schedule Summary

Please complete all three of the following:

**1. SCHEDULE A – Bidder's Principals** (check one)

The bidder has one or more **PRINCIPALS**, as defined in LAMC § 49.7.35(A)(6).  
At least one principal is required for entities. (If you check "Yes", Schedule A is required.)

Yes

☐

No

☐

**2. SCHEDULE B – Subcontractors and Their Principals** (check one)

The bidder has one or more **SUBCONTRACTORS** on this bid or proposal with  
subcontracts worth \$100,000 or more. (If you check "Yes", Schedule B is required.)

Yes

☐

No

☐

**3. TOTAL NUMBER OF PAGES SUBMITTED** (including this cover page): \_\_\_\_\_

## Certification

I certify the following under penalty of perjury under the laws of the City of Los Angeles and the state of California:

A) I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter § 470(c)(12) and any related ordinances; B) I understand that I must amend this form within ten business days if any information changes; C) I am the bidder named above or I am authorized to represent the bidder named above, and my name appears below; and D) The information provided in this form is true and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



# Prohibited Contributors (Bidders)

## Schedule A - Bidder's Principals

Please identify the names and titles of all the bidder's principals (attach additional sheets if necessary). Principals include a bidder's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the bidder of at least 20 percent and employees of the bidder who are authorized by the bid or proposal to represent the bidder before the City.

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

☐ Check this box if additional Schedule A pages are attached.



## Schedule B - Subcontractors and Their Principals

Please identify all subcontractors whose subcontracts are worth \$100,000 or more. Separate Schedule B pages are required for each subcontractor who meets the threshold.

Subcontractor's Name

Subcontractor's Address

Please check one of the following options:

**This subcontractor has one or more principals.** ☐ Yes\* ☐ No

*\* Each principal's name and title must be identified below. Attach additional sheets if necessary. Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.*

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_

☐ Check this box if additional Schedule B pages are attached.



## **N. Disclosure Ordinances Affidavit**



## **Disclosure Ordinances Affidavit**

Unless otherwise exempt by the provisions of the Slavery Disclosure Ordinance (SDO) and Disclosure of Border Wall Contracting Ordinance (DBWCO), any contract awarded under this RFP will be subject to the SDO, Section 10.41 of the Los Angeles Administrative Code, and the DBWCO, Section 10.50 of the Los Angeles Administrative Code. Bidders/Proposers are required to complete a streamlined Disclosure Ordinances Compliance Affidavit web form that is located on the City of Los Angeles' Regional Alliance Marketplace for Procurement (RAMP) at [www.rampla.org](http://www.rampla.org)

Bidders/Proposers are responsible for creating a RAMP profile and completing and submitting the Disclosure Ordinances Compliance Affidavit. The affidavit can be found by navigating to the "My Business Profile" page and clicking on the "Compliance Documents" link. The affidavit should be completed and submitted by the time of RFP submission. A print out or screenshot of the submission on RAMP should be submitted with the proposal.

The affidavit will be verified by the Bureau of Contract Administration (BCA) only if your company is the successful Proposer/Bidder selected for contract award. Proposers/Bidders seeking additional information regarding the requirements of the SDO and the DBWCO may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.



## **O. Local Business Preference Program**



## **Local Business Preference Program**

Per City of Los Angeles Ordinance No. 187121 and LAAC § 10.25, et seq., the City is committed to maximizing opportunities for local businesses and local small businesses in Los Angeles County, business entities working with the hardest-to-employ populations. It is the policy of the City to prevent unemployment, encourage an increase in local jobs, and create high road economic development. The new Local Business Preference Program (LBPP) aims to benefit the City by increasing local jobs and expenditures within the private sector. Criteria and instructions for participation in the LBPP are set forth herein.

(Rev. 08/2021)

### **INSTRUCTIONS**

Proposers interested in participating in the LBPP must complete a Local Business Enterprise (LBE), Local Small Business (LSB), and/or Local Transitional Employer (LTE) application. The required Applications/Renewals will only be accepted and processed through RAMP. Instructions for applying for certifications are available on the RAMP Support page at <https://www.rampla.org/s/support>.



# PROPOSALS

(Pages LBPP-1 through LBPP-7)

## REQUEST FOR PROPOSALS - LOCAL BUSINESS PREFERENCE PROGRAM (LBPP)

City of Los Angeles Ordinance No. 187121, Article 4, Sections 10.25, *et esq.*  
of the Los Angeles Administrative Code

Local Business Prime	8%
----------------------	----

Local Small Business	2%
----------------------	----

Local Transitional Employer	2%
-----------------------------	----

Or

Local Business Subcontractor (s)	Up to 5%
----------------------------------	-------------

NOTE: Local Business Preference Program information and/or assistance may be obtained through [bca.certifications@lacity.org](mailto:bca.certifications@lacity.org) or [bca.biphelp@lacity.org](mailto:bca.biphelp@lacity.org)



## **P. Internal Revenue Service W-9 Form**



# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ►
-----------	----------------------------	--------

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*



By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.



**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947



The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

## Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

## Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.



**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.**

You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

**\*Note:** The grantor also must provide a Form W-9 to trustee of trust.

**Note:** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.**

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.



The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



## **Standard Provisions for City Contracts**

The Underwriter agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable as a matter of law in connection with an agreement by and between the City of Los Angeles (the “City”) and the Underwriter (referred to as the “Agreement”):

Section 1. Independent Contractor. The Underwriter is an independent contractor and not an agent or employee of the City. The Underwriter shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the City.

Section 2. Retention of Records, Audits and Reports. The Underwriter shall maintain all records, including records of financial transactions, pertaining to the performance of the Agreement, in their original form or as otherwise approved by the City. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the City or (2) the expiration or termination of the Agreement. The records will be subject to examination and audit by authorized City personnel or the City’s representatives at any time. The Underwriter shall provide any reports requested by the City regarding performance of the Agreement. Any subcontract entered into by the Underwriter for work to be performed under the Agreement must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Underwriter may, upon the City’s written approval, submit the required information to the City in an electronic format, e.g. USB flash drive, at the expiration or termination of the Agreement.

Section 3. Taxpayer Identification Number (“TIN”) and Withholding Taxes. The Underwriter declares that it has an authorized TIN which will be provided to the City on Form W-9 or such equivalent form prior to payment under the Agreement. Payments made under the Agreement shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Indemnification. The Underwriter shall defend, indemnify and hold harmless the City and the City’s boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to attorneys’ fees and costs of litigation, to the extent such suits and causes of action, claims, losses, demands and expenses arise out of or are based upon information provided by the Underwriter to the City for use in the Preliminary Official Statement and the Official Statement under the heading “UNDERWRITING.”

Section 5. Insurance. During the term of the Agreement, the Underwriter shall provide and maintain at its own expense professional liability insurance in the amount of One Million Dollars (\$1,000,000) which covers the services performed pursuant to the Agreement, and that it will expend every reasonable effort to keep such insurance or its equivalent in effect at all times during performance of the Agreement and for one (1) year after the termination of the Agreement. The insurance must: (1) conform to the City’s requirements; (2) comply with the Insurance



Contractual Requirements attached to the Request for Qualifications, and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management.

Section 6. Warranty and Responsibility of the Underwriter. The Underwriter warrants that the work performed under the Agreement shall be completed in a manner consistent with professional standards practiced among those firms within the Underwriter's profession, doing the same or similar work under the same or similar circumstances.

Section 7. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, the Agreement is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code ("LACC") Section 10.8 et seq., as amended from time to time.

- A. The Underwriter shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing the Agreement, the Underwriter shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of the Agreement by reference and will be known as the "Equal Employment Practices" provisions of the Agreement.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of the Agreement by reference and will be known as the "Affirmative Action Program" provisions of the Agreement.

Any subcontract entered into by any Underwriter for work to be performed under the Agreement must include an identical provision.

Section 8. Child Support Assignment Orders. The Underwriter shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Underwriter (and any subcontractor providing services to the City under the Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Underwriter's or the subcontractor's employees; (2) certify that the principal owner(s) of the Underwriter and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of the Agreement.

Failure of the Underwriter or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Underwriter or applicable subcontractor to comply with any Wage and Earnings Assignment or Notices of Assignment



applicable to them personally, shall constitute a default by the Underwriter under the Agreement. Failure of the Underwriter or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject the Agreement to termination for breach. Any subcontract entered into by the Underwriter for work to be performed under the Agreement must include an identical provision.

Section 9. Access and Accommodations.

The Underwriter represents and certifies that:

- A. The Underwriter shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. The Underwriter shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The Underwriter shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under the Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Underwriter understands that the City is relying upon these certifications and representations as a condition to funding the Agreement. Any subcontract entered into by the Underwriter for work to be performed under the Agreement must include an identical provision.

Section 10. Contractor Responsibility Ordinance. The Underwriter shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

Section 11. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if the Agreement is valued at \$100,000 or more and requires approval by an elected City office, the Underwriter, their principals, and any subcontractors expected to receive at least \$100,000 for performance under the Agreement, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the City to terminate the Agreement and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after the Agreement is signed. Additionally, the Underwriter



subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. The Underwriter subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under the Agreement:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with an agreement by and between the City of Los Angeles (the “City”) and the Underwriter (“Agreement”). Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Agreement is signed. You are required to provide the names and contact information of your principals to the Underwriter and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of the Agreement and any other available legal remedies. Information about the restrictions may be found online at [ethics.lacity.org](http://ethics.lacity.org) or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 12. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Underwriter shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Underwriter for work to be performed under the Agreement must include an identical provision.



## Required Insurance and Minimum Limits

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Agreement/Reference: \_\_\_\_\_

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

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**Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)**
WC Statutory

EL \_\_\_\_\_

Waiver of Subrogation in favor of City

Longshore & Harbor Workers  
Jones Act

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**General Liability**

Products/Completed Operations

Sexual Misconduct \_\_\_\_\_

Fire Legal Liability \_\_\_\_\_

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**Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work)

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**Professional Liability** (Errors and Omissions)

Discovery Period \_\_\_\_\_

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**Property Insurance** (to cover replacement cost of building - as determined by insurance company)

All Risk Coverage

Boiler and Machinery

Flood \_\_\_\_\_

Builder's Risk

Earthquake \_\_\_\_\_

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**Pollution Liability**


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**Surety Bonds - Performance and Payment (Labor and Materials) Bonds**

100% of the contract price

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**Crime Insurance**
**Other:**


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## **ATTACHMENT 3**

### **Corporate Citizenship Requirement under the Responsible Banking Ordinance**



**City of Los Angeles  
Responsible Banking & Investment Monitoring Program  
For Investment Banks**

Investment banks providing City investment banking services or seeking City investment banking business must complete and submit this form no later than July 1<sup>st</sup> of each year to the City Administrative Officer to comply with Chapter 5.1, Section 20.95.1 of the Los Angeles Administrative Code.

**Contact Information:**

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Name of Financial Institution

---

Street Address

City

State

Zip Code

---

Contact Person Name and Title

---

Telephone No.

Email Address

**SOCIAL RESPONSIBILITY**

Please answer the following questions for the preceding calendar year.

1. Did your firm make monetary donations to charitable programs within the City limits?

Yes \_\_\_ No \_\_\_

If yes, please complete the attached form, labeled at Exhibit 1.

2. Did your firm provide any scholarship awards to residents of the City of Los Angeles?

Yes \_\_\_ No \_\_\_

- a. How many scholarships were awarded? \_\_\_\_\_  
b. What was the total value of the awarded scholarships? \_\_\_\_\_

3. Does your firm have internal policies regarding utilization of subcontractors which are designated as "women owned," "minority owned," or "disabled" business enterprises? Yes \_\_\_ No \_\_\_

If yes, please provide a copy of your policies, labeled as Exhibit 2



## **CONSUMER PROTECTION**

1. Is the financial institution currently in compliance with all applicable consumer financial protection laws?

Yes \_\_\_\_ No \_\_\_\_

If no, please briefly explain: \_\_\_\_\_

\_\_\_\_\_

2. Does the financial institution have policies to prevent the use of illegal predatory consumer adverse sales goals as the bases for evaluation, promotion, discipline or compensation of employees?

Yes \_\_\_\_ No \_\_\_\_

If no, please briefly explain: \_\_\_\_\_

\_\_\_\_\_

3. Does the financial institution encourage and maintain whistleblower protection policies for its employees and/or customers to report suspected illegal practices, including predatory sales goals?

Yes \_\_\_\_ No \_\_\_\_

If no, please briefly explain: \_\_\_\_\_

\_\_\_\_\_

4. In the last five years, has the financial institution been subject to any disciplinary actions such as fines, suspensions, or settlements, undertaken by the Securities and Exchange Commission, the Consumer Financial Protection Bureau, the Municipal Securities Regulation Board, the Financial Industry Regulatory Agency and/or any State regulatory agency?

Yes \_\_\_\_ No \_\_\_\_

5. If the answer to question no. 4 is yes, please provide in separate attachment labeled Exhibit 3, what the violation(s) are, the reason for the enforcement action, what government agencies are involved, the date of the enforcement action, what is the current status, and how were or will the issues be resolved?

\_\_\_\_\_

\_\_\_\_\_



**CERTIFICATION UNDER PENALTY OF PERJURY (\*)**

I certify under penalty of perjury that I have read and understand the questions contained in this form and the responses contained in the form and on all the attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this form is true and accurate to the best of my knowledge and belief.

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Print Name	Title	Signature	Date
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(\*) Signature must be that of the Head of Public Finance or equivalent corporate executive.

**PLEASE SIGN ABOVE AND EMAIL THE COMPLETED FORM TO  
[CAO.DEBT@LACITY.ORG](mailto:CAO.DEBT@LACITY.ORG).**



**Attachment for Question #1 - Responsible Banking Investment Monitoring Program for Investment Banks**

[illegible]



## **ATTACHMENT 4**

### **Personnel Experience**







## **ATTACHMENT 5**

### **Issuers in California Since January 2019**



## PUBLIC FINANCE EXPERIENCE – ISSUERS IN CALIFORNIA

City of Los Angeles  
Request for Qualifications for Investment Banking Services

**Firm Name:**

Provide the firm's underwriting experience for taxable and tax-exempt obligations for issuers located in California since January 2019.

**Total number of issues:**

**Par amount range:**

[illegible]



## **ATTACHMENT 6**

### **Issuers Outside of California Since January 2019**



## PUBLIC FINANCE EXPERIENCE – ISSUERS OUTSIDE OF CALIFORNIA

City of Los Angeles  
Request for Qualifications for Investment Banking Services

**Firm Name:**

Provide the firm's underwriting experience for taxable and tax-exempt obligations for issuers outside of California since January 2019.

**Total number of issues:**

**Par amount range:**

[illegible]



# **ATTACHMENT 7**

## **Reference Evaluation**



## REFERENCE EVALUATION

The City of Los Angeles (the "City") is analyzing past performance of proposers for its Request for Qualifications for Investment Banking Services. The vendor listed below has identified you as a previous client. The City greatly appreciates your time in completing this survey.

**Note:** The City reserves the right to contact the Client under Part B to verify the scores, comments, and project, and to ask follow-up questions about the below rated Firm and Key Personnel listed under Part A.

### PART A – FIRM NAME AND PERSONNEL

Name of Firm: \_\_\_\_\_

Name(s) of Key Personnel: \_\_\_\_\_

### PART B – PROJECT BACKGROUND

Client Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Role (Senior Manager or Co-Manager): \_\_\_\_\_

Sale Date: \_\_\_\_\_ Project Size (\$): \_\_\_\_\_

Scope of Services (Brief description): \_\_\_\_\_

### PART C – REFERENCE EVALUATION

Please rate your overall level of satisfaction with the above name contractor on a scale of 1 to 10 (with 10 representing that you were very satisfied and 1 representing that you were very unsatisfied).

CRITERIA	RATING (1-10)	COMMENTS
Overall Quality of Firm's Investment Banking Services		
Timeliness and Accuracy of Reports/Reporting		
Capability/Effectiveness of Key Personnel		
Quality of Firm's Institutional and Retail Distribution Capabilities		
Capability/Effectiveness of Bond Marketing		
Effectiveness of Pricing in the Primary and Secondary Market		



CRITERIA	RATING (1-10)	COMMENTS
Timeliness of Performance/Schedule Adherence		
Responsiveness to Requests/Problems		

Please provide any additional information regarding the firm and/or the project (consider any significant accomplishments, anything you would do differently, challenges and risks, etc.)

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 Print Name of Evaluator

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 Title

---

 Entity Name

---

 Signature

---

 Date

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 Phone Number

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 Email Address

Thank you for your time and effort in assisting us with this Request for Qualifications.  
**Please email the completed survey to [cao.debt@lacity.org](mailto:cao.debt@lacity.org) by November 22, 2024.**



## **ATTACHMENT 8**

### **Debt Management Policy**



## **SECTION 6 DEBT MANAGEMENT POLICY**

(As amended on September 23, 2020; Council File 20-0161)

### **INTRODUCTION**

The Debt Management Policy (Policy) has been developed to provide guidelines for the issuance of bonds and other forms of indebtedness to finance the acquisition of real property and capital equipment, capital improvements, and other matters for the City including short-term cash flow and large legal judgments. From time to time, it may be desirable for the City to update the Policy, particularly to reflect any changes to applicable federal and state laws regarding debt issuances, and revisions to City procedures. This Policy amends and supersedes the Policy approved by the Mayor and City Council in 2005, and also incorporates and amends the Municipal Improvement Corporation of Los Angeles (the “MICLA”) Departmental Operating Policies approved in 2000, and the Variable Rate and Swap Policies approved in 2003. In addition, the Mello-Roos Policies and Procedures, adopted in 1994, are incorporated by reference and attached hereto as Exhibit A.

While the issuance of debt is frequently an appropriate method of financing capital projects and major capital equipment acquisition, these guidelines are designed to assist the City in determining the appropriate debt financing structures to use, and establishing certain debt management goals.

The Policy describes the circumstances and methods with which certain types of financing products can be used, the guidelines that will be imposed on them, and who in the City is responsible for implementing these policies. A Glossary of Key Terms is provided at the end of this Policy.

### **OBJECTIVE**

The following represent key objectives of the Policy:

- To mitigate risk and support sound decision-making with regard to long-term financing commitments.
- To comply with federal and state laws and regulations, including disclosure and reporting requirements.
- To incorporate best practices into the City’s issuance and management of its debt obligations.
- To ensure that the City’s debt is consistent with the City’s planning goals and objectives, and capital improvement program or budget, as applicable.



- To minimize the cost of debt.
- To maintain and improve the City's credit ratings on its debt.
- To establish selection criteria for retaining the best qualified financial consultants, attorneys, underwriters, and other financing participants through fair procurement processes.

## **GENERAL**

### Designated Managers of City Debt

1. The City Council has the final approval of all City debt and awards all contracts with respect to the sale of bonds and other debt instruments.
2. The City Administrative Officer's ("CAO") Debt Management Group structures debt issuances and oversees the ongoing management of all the General Fund and certain special fund debt programs. These include general obligation bonds, lease revenue bonds, lease purchase obligations, revenue obligations, judgment obligation bonds, special tax obligations, and Mello-Roos and special assessment obligations. Other programs may be added from time to time as new debt instruments are developed.
3. The CAO manages the following programs, each with its own ratings:
  - a. General Obligation Bonds
  - b. Judgment Obligation Bonds
  - c. MICLA Lease Revenue Bonds and Commercial Paper
  - d. Solid Waste Resources Revenue Bonds
  - e. Tax and Revenue Anticipation Notes
  - f. Wastewater System Revenue Bonds and Commercial Paper
  - g. Land-Secured Assessment Financings
  - h. Special Tax or Assessment District Financings
4. The CAO is responsible for managing the City's primary and continuing disclosure obligations for the above-referenced programs.
5. The CAO is responsible for ensuring compliance with this Policy and the development and implementation of procedures to ensure the compliance with applicable federal and state laws.
6. The CAO will provide the necessary debt documentation to the Controller to assist them in their responsibilities such as financial reporting.



7. The Departments of Airports, Harbor, Water and Power, the Housing and Community Investment (“HCID”), and the Industrial Development Authority (IDA through the Economic and Workforce Development Department (EWDD)), are responsible for issuing and administering their own debt due to the specialized aspects of the debt issued by these agencies and the integral ties between the debt that is issued and the programs these agencies administer.
8. The CAO reviews and monitors debt programs of the Departments of Airports, Harbor, Water and Power (Proprietary Departments). In accordance with Charter Section 609(a), the CAO makes recommendations to the Mayor and City Council on the proposed issuance of revenue bonds by the Proprietary Departments.
9. The CAO reviews and makes recommendations to the Mayor and Council for the issuance of housing bonds. HCID and IDA are Council-controlled entities and are expected to adhere to the guidelines set forth in the Policy, where applicable.

#### Method of Sale

10. There are three methods of issuing debt: 1) a competitive sale; 2) a negotiated sale; and 3) a private placement. There are advantages to each method of sale, depending on the facts and circumstances of the financing and the City’s particular goals. The City should determine which method of sale to use based on the characteristics of the debt being issued, including rating quality, size of issuance, market conditions, and policy goals.
11. **Competitive Sale:** In a competitive sale, underwriters submit sealed bids and the underwriter or underwriting syndicate with the lowest True Interest Cost (TIC) is awarded the bonds. The City will use the competitive method of sale for its general obligation bonds and selected other securities.
12. **Negotiated Sale:** When a competitive sale is not practicable or less advantageous to the City, pursuant to the Charter Section 371(e)(2) and based on advice by an independent municipal advisor and the City Attorney that a negotiated bond sale is appropriate, the City may issue debt through a negotiated sale. In a negotiated sale, the City selects the underwriter or underwriting syndicate through a Request for Proposal (“RFP”) process. The underwriter or underwriting syndicate will assist the City in structuring and marketing the bonds. The RFP process to select the underwriter or underwriting syndicate should consider the participation of Minority/Women/Other Business Enterprise (MBE/WBE/OBE), prior performance on competitive sales, and new ideas and approaches with the potential of lowering costs to the City. Since an underwriter can premarket the bonds to investors, negotiated sales are particularly appropriate for new or unusual credits or structures, or for Mello-Roos and assessment bonds sold without ratings; commonly referred to as story bonds.



13. Private Placements: A private placement is a type of negotiated sale in which the issuer places a financing directly with a private investor, generally a bank. Therefore, pursuant to the Charter Section 371(e)(2) and based on advice by an independent municipal advisor and the City Attorney that a private bond sale is appropriate, the City will select a bank through a RFP process and directly negotiates the transaction. These loans or bonds are used for smaller transactions where the costs of preparing an official statement and securing ratings are greater than the benefit, for unusual credits, or for a better pricing than the municipal bond market.

#### Pricing of Bonds

14. The City may issue bonds at their par value, at a premium (a price that is above par), or at a discount (a price that is below par) depending on the preferences of various types of investors. During periods when interest rates are low or have been trending lower, a larger proportion of bonds will be sold at a premium. Generally, when interest rates are high, a larger proportion of bonds will be sold at a discount.

#### Debt Affordability and Capacity

15. The determination of how much indebtedness the City should incur will be based on the long-term borrowing needs of the City, the availability of resources to repay the debt, and the impact of planned debt issuances on the long-term affordability of all outstanding debt as measured by the debt ratios developed by the City as guidelines in evaluating the affordability of future debt.
16. The Capital and Technology Improvement Program (CTIP) is one tool to identify the long-term borrowing needs of the City. The CTIP will incorporate the City's current five-year capital plan and include all presently known City financings to be repaid from the General Fund and relevant special funds. The CAO will revise the Five-Year CTIP Plan on an annual basis or as part of the annual budget process. See the CTIP Policy for details.
17. The City will carefully monitor the issuance of debt to maintain a balance between debt and resources available to service debt. The CAO shall use Direct Debt Service Payments as percent of General Revenues for voter approved and non-voter approved debt as the basis for its debt ratios.<sup>16</sup>
18. A Debt Affordability Chart illustrating projected debt ratios will be updated each time the CAO recommends the issuance of debt and included in the CAO report

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<sup>16</sup> Direct Debt includes all debt that repaid from the General Fund or from any revenues deposited into special funds not supporting revenue bonds, such as general obligation bonds and Citywide parcel tax bonds. "General Revenues" consist primarily of the General Fund, as well as revenues from the special funds supporting direct debt.



in conjunction with the Debt Impact Statement and Fiscal Impact Statement required by Charter Section 325.

19. The Debt Affordability Ceiling for debt service on non-voter approved debt shall be no more than 6 percent of General Revenues. The 6 percent ceiling may be exceeded only in the following situation: (1) if there is a guaranteed new revenue stream for the debt payments and the additional debt will not cause the ratio to exceed 7.5 percent or, (2) if there is not a guaranteed revenue stream but the 6 percent ceiling will only be exceeded for one year.
20. The Debt Affordability Ceiling for debt service on voter-approved and non-voter approved debt combined shall be no more than 15 percent.
21. Debt capacity for revenue bonds secured by enterprise revenues is not measured in terms of the City's tax base or general revenues, but relative to factors specific to the system and its enterprise fund. One of the key measures of debt capacity for bonds secured by enterprise revenues is the system's Coverage Ratio, calculated by dividing the amount of net revenues (that is revenues after the payment of operations and maintenance, but excluding depreciation) by annual debt service. Coverage represents the amount of additional net revenues after payment of debt service, which are typically applied to pay-as-you-go capital or to build reserves. While the bond documents will set minimum coverage ratios the City must maintain in setting rates or issuing additional bonds, rating agencies and investors expect that actual coverage ratios will be higher. The City's CAO-managed revenue bonds, currently consisting of the Wastewater System Revenue Program and the Solid Waste Resources Revenue Program, are both highly rated in the AA-category. The CAO will analyze the appropriate level of Debt Service Coverage for each program and report actual and target coverage ratios in its staff reports recommending bond issuance and changes in rates and charges.
22. The rapid repayment of outstanding debt allows for additional future debt capacity for the City as well as long-term savings by reducing interest costs. The CAO will structure its general debt issuances (general obligation bonds and lease revenue obligations) to reach a target of 50 percent of all outstanding direct debt being repaid within 10 years.
23. Through pay-as-you-go financing, capital projects are funded from current revenues in the operating budget rather than through debt. Except under certain circumstances, the City will fund routine maintenance projects in each year's capital program with pay-as-you-go financing. Extenuating circumstances that may be debt financed include unusually large and non-recurring budgeted expenditures, or when depleted reserves and weak revenues would require delaying or eliminating necessary capital projects.



## Budgeting

24. All staff costs directly related to bond-funded projects will be analyzed to determine if such staff costs can be reimbursed from bond proceeds under federal and state law. Each bond program has its own rules to determine eligibility for reimbursements from bond proceeds. City operations and routine maintenance costs will not be funded with any type of debt.
25. Any existing and new bond funds that remain unspent for a period longer than three years from the date the funds were originally deposited will be subject to reversion to pay debt service or to defease bonds. The City Controller and the CAO are authorized to implement this Policy and to ensure funds are closed at the appropriate time. Any exceptions shall require Mayor and City Council approval.
26. Any new bond funds remaining unencumbered after 18 months from the date the funds were originally deposited shall be subject to reversion and such funds may be reallocated for other capital projects with similar useful lives or to pay debt service. The City Controller and the CAO are authorized to implement this Policy and to ensure funds are either re-appropriated or transferred to the Trustee with the necessary administrative approvals. Any exceptions shall require Mayor and City Council approval.

## Refinancing Outstanding Debt

27. The CAO shall periodically evaluate potential savings to the City from refinancing outstanding debt (Refundings). Savings will be analyzed on a present value basis with a goal of achieving a Present Value Savings of 3 percent of the refunded par amount for any one refunding transaction.
28. The CAO's present value analysis must identify the economic effect of any proposed refunding. The CAO shall recommend to the Mayor and City Council individual refunding candidates above or below the City's Present Value Savings Goal of 3 percent to optimize the City's financial objectives.
29. Refundings may be executed for reasons other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. The CAO may recommend a refunding that has economic benefit but does not meet the Present Value Savings Goal of 3 percent. The CAO must inform the Mayor and City Council that this refunding does not meet the goal and explain the benefits as well as the costs.



### Rating Agency Strategy

30. Communication with the rating agencies is the responsibility of the CAO. The CAO will continue its practice of meeting regularly with the rating agencies to keep them informed of the City's borrowing plans and financial condition. Meetings will generally occur at least once annually with each rating agency and, at a minimum, conference calls will be offered in connection with each issuance of bonds, at the discretion of the CAO.
31. The CAO, as its discretion, will decide which rating agency and the number of ratings to use for each bond financing.
32. The CAO will periodically report to the Mayor and City Council, detailing the City's credit strengths and weaknesses as perceived by the rating agencies. The CAO will include recommended actions to address any weaknesses identified by the rating agencies. This report may occur as part of the annual budget development process or in connection with any debt-related transaction. The report recommendations will take into consideration potential credit impacts of budget balancing options.

### Investor Relations

33. Investor relations is a strategic management responsibility that integrates finance, communication, marketing, and securities law compliance to enable the most effective two-way communication between the City and its investors. The CAO's Debt Management Group will be responsible for managing the City's relationship with its investors and will respond to any investor's inquiry in a timely and informative manner.
34. The CAO will maintain and update the City's Debt Management and Investor Relations website, where it will provide current debt, financial, and disclosure information for ready access by investors.

### Annual Debt Report

35. The CAO will annually prepare a report to the Mayor and City Council, which reviews the outstanding debt of the City. This may occur in conjunction with the annual budget development process.



## **TYPES OF DEBT**

### General Obligation Bonds

1. Voter-approved General Obligation Bonds (“GO bonds”) provide the lowest cost of borrowing to finance the acquisition or improvement of real property, and provide a new and dedicated revenue source in the form of additional ad valorem property taxes to pay debt service. Pursuant to California law, the voter approval threshold for City GO bonds is two-thirds. In recognition of the difficulty in achieving the required two-thirds voter-approval, GO bonds will be generally limited to facilities that provide wide public benefit and that have generated broad public support.
2. The final maturity of GO bonds will be limited to the shorter of the average useful life of the asset financed or 20 years.
3. In GO bond issues, the principal will generally be amortized in equal annual amounts or faster to meet the rapidity of debt repayment goals and should be callable no later than 10 years. Call options allow the City the right to prepay or retire debt prior to its maturity and thus provide opportunities to achieve interest savings through Refundings or cash pay downs.
4. GO bond issues will generally be sized to the amount reasonably expected to be spent in no more than three years.
5. GO bonds issued for new money purposes will be sold at a minimum price equal to the par amount of the bonds offered for sale.

### Lease-Purchase Obligations

6. The City finances both capital improvements and equipment through the issuance of lease revenue bonds, lease revenue commercial paper, and through leases directly placed with banks and other private placement lenders. Generally, the City’s lease revenue bonds and other obligations are issued through the Municipal Improvement Corporation of Los Angeles (MICLA). A fuller discussion of the City’s lease financing program, including its use of commercial paper as a form of interim financing, is discussed in the MICLA section below.
7. In lease-purchase obligations, the final maturity of capital equipment obligations will be limited to the average useful life of the equipment to be financed, usually 10 years.
8. In lease-purchase obligations, the final maturity of real property obligations will be determined by the size of the financing: 10 to 15 years for small issues; 20 to 25 years for large issues; and 30 years for exceptional projects or those with a direct revenue component such as a special tax.



9. In lease-purchase obligations, the principal will generally be amortized to result in level annual lease payments; however, more rapid principal amortization may occur where permissible to meet debt repayment goals. The obligations should be callable no later than 10 years to provide opportunities for interest savings through Refundings or cash pay downs.

#### Revenue Obligations

10. Revenue bonds secured solely from fees are not included when rating agencies calculate the City's debt ratios in their criteria.
11. Revenue obligations include any bonds secured by fees or revenues derived from the enterprise and deposited into special funds (Revenue Bonds), such as the City's Sewer Construction and Maintenance Fund, the Solid Waste Resources Revenue Fund, and the Special Parking Revenue Fund. If a new revenue source is put into its own fund, then a new revenue bond program could be developed.
12. From time to time, the City may enter into other revenue obligations including direct loans with state and federal agencies, such as the California State Water Resources Control Board and the Environmental Protection Agency, that offer local agencies low cost loans to fund certain capital projects.
13. To preserve General Fund debt capacity and budget flexibility, Revenue Bonds will be preferred over General Fund-supported debt when a distinct and identifiable revenue stream can be identified to support the issuance of bonds.
14. The final maturity of Revenue Bonds or other debt obligations secured by enterprise or other special revenues will be determined by the expected useful life of the financed project and the revenues available to repay the debt.
15. Generally, principal amortization will be structured to provide level debt service for the bond issue or for overall level debt service for that specific program. The obligations should be callable no later than 10 years to provide opportunities for interest savings through Refundings or cash pay downs.

#### Judgment Obligation Bonds

16. Judgment Obligation Bonds (JOBs) are issued to finance a court action against the City and a court-approved settlement. To issue these bonds, the City must participate in a court-approved validation process.
17. The final maturity of any JOB will be limited to 10 years to demonstrate the City's willingness to repay such obligations quickly.



18. The principal amortization will be determined as appropriate for each particular JOB transaction.

### Special Tax Obligations

19. Special Tax Obligations are secured by revenues derived from a voter-approved special tax. These obligations are repaid with either excise taxes or parcel taxes, but not by ad valorem taxes.
20. Generally, the final maturity of City-wide special tax obligations will be limited to 20 years, unless there are unusual circumstances, as determined by the CAO. The obligations should be callable no later than 10 years from date of issuance to provide opportunities for interest savings through Refundings.

### Mello-Roos and Special Assessment Obligations

21. Mello-Roos and Special Assessment Obligations are secured by additional charges levied on a discrete group of property owners. These obligations constitute overlapping indebtedness of the City and have an impact on the overall level of debt affordability.
22. The City has developed separate guidelines for the issuance of Mello-Roos and Special Assessment Obligations. The City of Los Angeles Policies and Procedures for Mello-Roos and Assessment Districts, adopted by the City Council on November 1, 1994, and all subsequent amendments, are hereby incorporated into this Policy. A copy of the Mello-Roos Policy is incorporated by reference and attached as Exhibit A.

### Pension Obligation Bonds

23. Pension Obligation Bonds (POBs) are taxable bonds issued as part of an overall strategy to fund the unfunded portion of pension liabilities. The use of POBs rests on the assumption that the bond proceeds, when invested in higher-yielding asset classes that are allowed for pension systems (such as corporate stock), will be able to achieve a rate of return that is greater than the interest rate owed over the term of the bonds.
24. POBs involve considerable investment timing risk, making the goal of issuing POBs somewhat speculative. Failing to achieve the targeted rate of return burdens the issuer with both the debt service requirements of the taxable bonds and the unfunded pension liabilities that remain unmet because the investment portfolio did not perform as anticipated.
25. If the City is considering the use of POBs, the CAO shall provide notification to the Council and Mayor of its intent to hire an independent municipal advisor and obtain an actuarial analysis to evaluate the cost/benefit of issuing POBs.



### Section 108 Loans

26. Section 108 loans are made from federal funds and administered by HCID, but are guaranteed by other City funds, with an ultimate backstop from the General Fund. Accordingly, HCID, will adhere to the Debt Management Policy when structuring Section 108 loans.
27. Section 108 loans should be structured to be financially sound loans to assist in economic development projects.
28. Although the General Fund is the ultimate backstop, Section 108 loans will be structured with sufficient guarantees so that if the loan is in default, there will be another funding source besides the General Fund for the payment of the loan.
29. In compliance with the Block Grant Investment Fund (BGIF) Policy, block grants should be used as guarantor for payment on Section 108 loans.

### Tax and Revenue Anticipation Notes

30. These notes are short-term borrowings in anticipation of taxes and revenues that have not yet been received. This borrowing is for cash flow purposes and is desirable to manage the timing mismatch between revenues and expenditures over the course of a fiscal year, or to take advantage of the opportunity to prepay annual pension obligations for a discount.

### Bond Anticipation Notes

31. In certain circumstances, in anticipation of an expected revenue source, the City may issue short-term obligations to finance a capital project, with this obligation refunded with a more conventional long-term financing funded from the anticipated revenue source.

### Grant Anticipation Notes

32. The City may issue short-term notes to be repaid with the proceeds of federal and state grants if appropriate for the project and in the best interest of the City. Generally, grant anticipation notes will only be issued if there is no other viable source of up-front cash for the project.



### Other Types of Obligations

33. From time to time, the CAO may recommend other types of bonds or obligations that are beneficial to the City. The CAO will bring these to the Mayor and City Council for consideration.

### Bonds with Special Designations

34. Green, Social and Sustainability Bonds are any type of bond instrument where the proceeds will be exclusively applied to eligible environmental and social projects or a combination of both. Green, Social and Sustainability Bonds are regulated instruments subject to the same capital market and financial regulation as other listed fixed income securities.
35. When determining whether to designate a bond issuance or transaction with a special designation such as Green, Social, or Sustainable, the City should examine and agree to comply with reporting (i.e. impact reporting) and disclosure requirements associated with the special designation.
36. Prior to issuing a bond with a special designation, the City, working with its consultants, should determine what if any independent/external review will be used such as a second party opinion, verification, certification, or bond scoring/rating process. These reviews will be made publically available.
37. Bonds with special designations may or may not result in premium pricing for the City and yet require additional reporting and disclosure. The City may choose to issue bonds with a special designation even when there is no additional pricing benefit based on other benefits such as:
- i. A greater diversification of the City's investor base that may result in potential increased demand and future premium pricing.
  - ii. An alignment with the City's broader goals on environmental and social issues.



## **FIXED-RATE DEBT**

### Purpose and Use of Fixed-Rate Debt

1. Fixed-Rate Debt should be used to finance essential capital assets such as facilities, real property, and certain capital equipment where it is appropriate to spread the cost of the asset over more than one budget year. In doing so, future taxpayers, who will benefit from the investment, will help pay a share of its cost as well as current taxpayers.
2. The City shall restrict the use of Fixed-Rate Debt to the following general categories:
  - a. Capital Equipment Financing
  - b. Financing of Real Property
3. Projects that are not appropriate for spreading costs over future years will not be debt financed.

### Capital Equipment Financing

4. Although lease obligations can be a routine and appropriate means of financing capital equipment, lease obligations also have the greatest impact on debt capacity and budget flexibility. Therefore, efforts shall be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority equipment purchases should be funded with lease obligations.
5. All equipment with a useful life of less than six (6) years shall be funded on a pay-as-you-go basis unless the following conditions are met:
  - a. In connection with the Proposed Budget, the Mayor makes a finding that there is an "economic necessity" based on a significant economic downturn, earthquake, other natural disaster, or there are no other viable sources of funds to purchase the equipment;
  - b. The City Council concurs with the Mayor's finding in the adoption of the budget; and,
  - c. The various Debt Affordability Ceiling, as discussed earlier in Debt Affordability and Capacity, are not exceeded except as provided for in said section.



### Financing of Real Property

6. Lease financing for facilities and real property is appropriate if the City desires to finance them from existing revenue sources, and not through voter-approved bonds secured by an increase in property taxes.
7. There are alternative ways to deliver large capital projects through public-private partnerships (P3) where government entities and private-sector businesses enter into agreements to finance, build, and/or operate the projects. As part of a P3 agreement, the government entities typically makes availability payments and possibly construction milestone payments. In some cases, the government entity may issue bonds to support the P3 project. When considering a P3 project, the City should determine the financial impacts and understand how the rating agencies will treat the availability payments and construction milestone payments as debt, as a contingent liability, or neither.

### Asset Transfer Lease

8. An Asset Transfer is when an asset other than the asset being financed with the proceeds of lease revenue bonds is used to support the lease payments. The City will use "asset transfer" or "asset strip" leases to finance capital needs when there are no other viable financing options or to reduce the amount of interest that must be funded out of proceeds, since lease payments cannot commence until the asset that is being leased is available for use and occupancy.
9. An Asset Transfer Lease may be used if significant savings in financing costs can be generated compared to other financing alternatives. This type of legal structure secures the City's lease financing commercial paper programs.

### Capitalized Interest

10. Funding interest payments to investors out of debt proceeds (Capitalized Interest) increases the amount of debt to be issued and therefore should be avoided unless essential from a legal standpoint, as in the case of lease-purchase obligations secured by the financed asset, or a project financing expected to be repaid out of project revenues.
11. Interest on General Obligation Bonds will not be capitalized, except out of bond premium.
12. Generally, interest on lease-purchase obligations will be capitalized for a maximum of one year following a conservatively based estimate of project completion to provide a cushion for project slippage. Commercial paper can be used to provide interim project funding and avoid the cost of capitalized interest.



## **VARIABLE INTEREST RATE DEBT**

### Purpose and Use of Variable Interest Rate Debt

1. The City may use variable interest rate debt instruments as a balance sheet management tool, offsetting the risks inherent in variable rate assets such as investments. The maintenance of variable rate debt liabilities in an amount equal to or less than the amount of variable rate assets reduces the City's overall risk of exposure to changes in interest rates.
2. The City may use variable interest rate debt instruments to achieve an expected lower net cost of borrowing with respect to the City's debt by accepting a limited level of interest rate risk.
3. The City may use variable interest rate debt instruments as a tool for interim financing. Since the expectations of variable rate investors are, by their nature, short-term, variable rate debt can be redeemed on short notice. Variable rate debt does not have a fixed rate but varies anywhere from daily to yearly mode, thus allowing flexibility in refunding them at any time without any penalty in the form of a payment for calling the bonds (known as a call premium) or higher initial interest rates.
  - a. Variable rate debt is a preferred tool for financing projects for which a prepayment or restructuring is a high probability.
  - b. Certain variable rate products, most notably commercial paper, can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing. Usually commercial paper will be refunded with a long-term financing when the project is completed.
4. Before implementing any variable interest rate debt strategy designed to serve as a hedge against interest rate risk, the CAO will provide an analysis of asset and liability balance on a fund-by-fund basis and include it in its report to the Mayor and City Council when recommending variable rate debt.
5. When considering variable rate debt, it is important for the City to consider both the interest rate as well as the ongoing fees for credit enhancement (letter of credit) and remarketing of the bonds for an all-in cost comparison.

### Types of Variable Interest Rate Debt

6. Variable Rate Bonds: It is often appropriate to issue variable rate bonds to diversify the debt portfolio and improve the match of assets to liabilities. Variable rate debt may also provide interest cost savings. If variable rate bonds are used, the CAO will periodically, but at least annually, determine if it is appropriate to convert the debt to a fixed interest rate.



7. Commercial Paper Notes: Commercial Paper (CP) is a short-term obligation with maturities ranging from 1 to 270 days. It is often used as interim financing until a project is completed to take advantage of lower interest rates. CP is typically backed by a bank letter of credit. Once a project is completed, the CAO may recommend refunding CP with a long-term financing obligation, if appropriate.
8. Synthetic fixed rate: In some markets, the City can simultaneously issue variable rate debt and enter into corresponding swap agreements that have the effect of creating a net fixed rate obligation at a lower net interest cost than the cost of issuing traditional fixed rate debt.

#### Considerations for Use of Variable Interest Rate Debt

9. The use of variable interest rate debt instruments should be analyzed as part of a balance sheet risk mitigation strategy to determine the appropriate amount of variable rate debt to be issued for risk mitigation purposes based on an analysis of the following factors with reference to the funds that will be repaying the debt:
  - a. The historic average of cash balances over the course of several prior fiscal years.
  - b. The projected cash balances based on known demands on a given fund and on City's fund balance policies.
  - c. Any basis risk, such as the difference in the performance or duration of the City's investment vehicle compared to the variable rate debt instrument to be used by the City.
10. The use of variable interest rate debt instruments should be analyzed as part of a strategy that benefits from the out-performance of the variable rate market to fixed rate debt, and to determine the appropriate level of risk exposure for the City to accept.
  - a. Based on market convention, a debt portfolio that contains up to 25% of variable rate debt is generally acceptable.
  - b. In determining the amount of risk the City should take, the CAO should consider the specific fund exposed to the risk, and the budgetary flexibility that fund has in accommodating such risk.
  - c. The analysis of risk exposure should be performed on the basis of "net" risk; that is, variable rate liability exposure net of any interest rate hedge provided by the availability of cash or risk mitigation tools such as interest rate swaps.



11. Recommendations regarding the use of variable interest rate debt instruments for Interim Financing should consider issuing commercial paper in connection with its major debt-financed construction programs, especially when interest earnings on construction and capitalized interest funds are at a rate lower than the rate of long-term bonds, thereby increasing the amount of debt that must be issued to fund a program. Variable rate debt should also be considered in lieu of a long-term fixed rate financing when a refunding or restructuring of the debt is likely due to potential changes in use of the project or credit quality.

#### Selection and Diversification of Firms

12. In selecting remarketing agent for variable rate debt and commercial paper dealers, the City generally should choose multiple remarketing agents to diversify its exposure and create more competition among the various remarketing agents.
13. In selecting institutions to provide liquidity or credit enhancement, the City should generally seek to diversify its exposure. At times, based on the amount of the transaction and the project itself, one institution may be chosen.

#### Budgeting for Debt Service

14. The CAO will analyze each variable interest rate debt program to determine the required budget amount for debt service. The factors to be analyzed include historic interest rates, projected interest rates, the effect of risk mitigation products such as interest rate swaps or caps, and the availability of fund balances carried-forward from savings in previous years. Due to the uncertainty inherent in the financial markets and to protect against potentially increasing variable interest rates, the CAO may recommend budgeting for higher than anticipated debt service payments as the appropriate budget amount. This analysis shall be done in conjunction with the formulation of the Mayor's Proposed Budget.

#### Monitoring and Reporting

15. The CAO will manage the City's variable interest rate debt programs, including comparing the performance of actual interest rates compared to the interest rates assumed at the time of budget formulation.
16. The CAO will recommend any appropriate mid-year budget adjustments to debt service payments based on the performance of actual interest rates compared to the interest rates assumed at the time of budget formulation.
17. The CAO will review and report on the following on a periodic basis, to the extent applicable:



- a. Whether balances remaining at the end of the fiscal year, accruing from actual lower interest rates than those assumed in the budget process, will be reserved for future interest rate stabilization or otherwise applied for interest rate management or principal redemption.
- b. The performance of the individual remarketing agents as compared to other remarketing agents, other similar programs and market indices.
- c. The factual circumstances, such as balance sheet factors or the relative amount of debt that supported the original issuance of the variable rate debt.



## **INTEREST RATE SWAPS**

In 2003, the City adopted an “Interest Rate Risk Mitigation Products Policy,” primarily to govern the use of interest rate swaps that, when combined with variable interest rate debt, resulted in a pair of matched obligations to create “synthetic” fixed rate obligations. Because the use of this approach is no longer common in the municipal market, and it is the City’s expectation that it will not be used in the future, the Interest Rate Risk Mitigation Products Policy has been deleted from the overall Debt Management Policy. A revised policy must be approved by the Mayor and City Council should the use of swaps be considered in the future.



## **MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES LEASE REVENUE PROGRAM**

### Purpose and Use of Municipal Improvement Corporation of Los Angeles (MICLA) Debt

1. MICLA is a non-profit corporation established by the City of Los Angeles in 1984 to serve as the lessor in lease-purchase transactions involving the City. MICLA was organized for social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code. Board members were originally appointed by the Mayor and concurred by the City Council. Appointments to subsequent vacancies are made by the Board with the concurrence of the City Council. MICLA plays no active role in either the procurement of funds or equipment (the financed projects), but must review and approve the projects proposed by the City for financing through MICLA.
2. MICLA funding may come in the form of fixed interest rate, variable interest rate, or commercial paper.
3. The Mayor and City Council approved the MICLA Lease Revenue Commercial Paper Note Program (CP Program) for the purpose of financing the acquisition of various capital assets, including capital equipment and real property.
  - a. The CP Program gives the City flexibility in financing its capital program, including quicker implementation and reduced costs.
  - b. The City may from time to time have more than one MICLA CP Program for a specific purpose, such as improvements to the Los Angeles Convention Center.
  - c. The CP Program is designed to be a form of Bond Anticipation Note, with lease revenue bonds being issued from time to time to refund the CP and provide permanent financing.

### Administrative Procedures

4. On an annual basis, departments will send requests to have projects (capital equipment and real property) included in the Mayor's Proposed Budget. Final approval of all projects will be made through the Adopted Budget.
5. The CAO, at its discretion, will determine the appropriate financing method and instrument (fixed rate, variable rate or commercial paper) for each project. The CAO may use a combination of methods and instruments such as CP for the initial financing of a project and then refinance the outstanding CP into fixed rate debt once the capital equipment is purchased or when the real property acquisition and/or improvements are completed.



6. The CAO is responsible for the overall management of the MICLA program and has been delegated by the MICLA Board to perform most MICLA responsibilities. For the CP Program, these responsibilities include the following:
  - a. Requesting that the dealers issue new CP notes as needed to fund approved projects.
  - b. Managing the roll-over of maturing notes until there is a long-term take out financing.
  - c. Planning and executing the take-out financing.
  - d. Budgeting for debt service and on-going administrative expenses.
7. The City Controller is responsible for creating and maintaining all MICLA Funds, and approving demands in the same manner as other City funds. The City Controller will also provide quarterly reports to show the financial condition of all the MICLA Funds.
8. Each department that uses MICLA Funds is responsible for awarding contracts, encumbering funds, processing payment for approved projects, and providing the CAO sufficient information so that either CP or long-term debt can be issued in a timely as-needed basis.
9. Each department that uses MICLA Funds must submit an expenditure plan prior to gaining approval to fund any project and then submit updates every six (6) months or when required by the CAO for refinancing and compliance purposes.
10. On an annual basis, or as frequently as directed by the CAO, each department that uses MICLA Funds must submit a Certification of Use of Proceeds.

#### Debt Structure

11. It is good practice for the City to pay interest on CP as it becomes due to avoid issuing CP for interest that would be considered capitalized interest. Principal is usually refinanced into fixed rate or can be paid down as part of the Adopted Budget.
12. The decision to issue long-term debt with variable or fixed-rate bonds will be determined by interest rates, the market, and the useful life of the asset. Usually, when a project funded with CP is completed, it will be refinanced into long-term debt for the remainder of its useful life or retired with cash.



## MICLA Operating Guidelines

13. MICLA funding (long-term and CP) approved in the Adopted Budget will be made available to departments as early in the fiscal year as practicable, unless a determination is made by the City Council that an alternate financing method can efficiently meet the City's needs.
14. Departments are required to follow the Post-Issuance Compliance procedures for all capital equipment or real property purchased through MICLA. Failure to do so could adversely affect the tax-exempt status of the bonds and commercial paper.
15. MICLA funding shall be provided for the purchase, improvement and construction of real property for which final plans and/or design have been completed and are ready for bid award.
16. MICLA funding shall only be provided for those capital equipment items that have the highest priority as described in the eligibility equipment guidelines below. More specific criteria may be provided in the Mayor's Annual Budget Policy Memo.
17. MICLA funds that remain unspent for a period longer than three years from the date of availability shall be subject to reversion to pay debt service and/or to offset new MICLA projects. Any exceptions shall require Mayor and City Council approval. The City Controller and the CAO are authorized to implement this Policy and to ensure funds and accounts are closed at the appropriate time.
18. MICLA authorizations that remain unspent for a period longer than three years from the date of availability shall be swept and no longer available for expenditure. Any exceptions shall require Mayor and City Council approval. The City Controller and the CAO are authorized to implement this Policy and to ensure funds and accounts are closed at the appropriate time.
19. The General Services Department (GSD) should only approve departmental purchase order changes resulting from safety or regulatory reasons that occur during the ordering period.
20. GSD and user departments will limit custom order vehicles to instances when manufacturers do not have standard models that will reasonably meet the City's operational requirements.
21. The following guidelines will be used to determine eligibility for capital equipment to be purchased with MICLA:
  - a. All capital equipment should have a minimum useful life of six (6) years with a goal of financing mostly equipment with a useful life of 10 years or



more. Useful life means a period of time during which an asset will provide the desired service to the department using it. The useful life of a piece of technical equipment could be substantially less than the term of its expected use by the City (e.g., computers due to technical obsolescence are not eligible).

- b. Equipment must directly support the delivery of essential or core government services.
- c. Large bulky equipment that are not easily transportable or hidden such as fire apparatuses, construction equipment, dozers, heavy trucks, and helicopters are generally appropriate for MICLA lease financing. The City will avoid debt financing equipment such as servers, software, radios, antennas, testing materials, police black and white patrol vehicles, and motorcycles as their depreciation and damage rates are typically high.
- d. The City has a goal of financing capital equipment (plus set-up accessories) with a minimum total unit cost of \$250,000. Not all capital equipment, however, can meet this goal due to the nature of the equipment.



## CONSULTANTS

### Retention of Consultants

1. All municipal advisors, bond counsel, underwriters, and other as needed market participants (i.e. trustees and arbitrage consultants) will be selected through a RFP or Request for Qualifications (RFQ) process, whichever is most appropriate given the circumstances.
2. In isolated instances, contracts may be awarded on a sole source basis if it is clear that a RFP/RFQ process would not be feasible or in the City's interests.
3. The City's contracting policies, in effect at the time, will apply to all contracts with public finance professionals, as permitted by federal and state laws. Generally, the terms of the contracts for municipal advisor and bond counsel will depend on each financing program.
4. Generally, municipal advisors, bond counsel teams, and underwriters who participate in City contracts should, but are not required, to have an office in the County of Los Angeles. Exceptions may be made for smaller firms serving as co-bond counsel or co-municipal advisor, and who are seeking to expand their client base and open new offices. Additionally, exceptions will be made when specialized expertise is required and such expertise is best provided by a firm located outside of the County.
5. Depending on particular expertise and consultant availability, some firms may be used on more than one program. Efforts will be made, however, to establish different teams to provide a number of firms the opportunity to participate in City contracts.
6. In the event that the City issues bonds through a negotiated sale, the selection of underwriters will generally be for a single transaction. However, underwriters may be selected for multiple transactions if multiple issuances are planned for the same project.
7. All municipal advisors or firms acting as municipal advisors must be registered with the Municipal Securities Rulemaking Board (MSRB).

### General Municipal Advisors

8. The City will retain a general municipal advisory team to provide general advice on the City's debt management program, financial condition, budget options, and rating agency relations.



9. The general municipal advisors will structure the City's General Obligation Bond issuances and may be used on an as-needed basis to structure bond issuances that do not fall into the other categories of City debt obligations.

#### Municipal Advisors

10. The City will retain municipal advisors for each bond financing or transaction. The CAO will issue either a RFP or RFQ depending on the needs of the City.
11. The CAO will usually recommend two municipal advisors for each transaction depending on the size, complexity, and timing of the bond sale or transaction.

#### Legal Counsel Services

12. A Legal Counsel team may consist of separate Bond Counsel, Special Tax Counsel, and Disclosure Counsel depending on the specifics of the financing.
13. The City Attorney has Charter authority to hire outside counsel and will work with the CAO to hire appropriate legal counsel for each transaction.

#### Use of Independent Municipal Advisors on Competitive Sales

14. The City will hire municipal advisors who are independent and do not participate in the underwriting or trading of bonds or other securities.
15. Under certain circumstances it may be in the City's best interests to hire an investment banking firm to act as co-municipal advisor on a specific bond issue. These may be referred to as sell side advisors. In these instances, the firm will not be permitted to bid on the bonds for which the firm is acting as municipal advisor.

#### Use of Independent Municipal Advisors on Negotiated Sales:

16. In a negotiated sale, the City will hire municipal advisors who do not participate in the underwriting or trading of bonds or other securities to represent the City.
17. The City may hire an underwriter to act as municipal advisor to the City as part of a negotiated sale only if all independent municipal advisory firms, which responded to the RFP, are found to be unqualified.
18. If no independent municipal advisory firms were found to be qualified, an underwriter could be the municipal advisor. This firm would be prevented from participating in the underwriting of the transaction, including any profit sharing or other type of agreement with any member of the underwriting team for the transaction.



### Use of Municipal Advisors for Investment Advice

19. Although the City Treasurer makes all investment decisions relative to temporary investments pending the expenditure of bond proceeds, the municipal advisor may provide investment advice on refinancings and other transactions with specialized investment needs.
20. Under no circumstances will the City enter into any investments for which the municipal advisor receives any fee or compensation from the investment provider or any outside party.

### Disclosure by Financing Team Members

21. All financing team members will be required to provide full and complete disclosure, as required under MSRB rules, relative to any and all agreements with other financing team members and outside parties. The extent of the disclosure may vary depending on the nature of the transaction.
22. No agreements will be permitted that would compromise any firm's ability to provide independent advice that is solely in the best interests of the City, or that could reasonably be perceived as a conflict of interest.



## **POST-ISSUANCE TAX COMPLIANCE**

The CAO is responsible for the development and implementation of procedures to ensure the compliance with applicable federal tax laws to maintain the tax-exempt status of its debt obligations. The CAO will have primary responsibility to coordinate with the applicable City departments and monitor the use of tax-exempt bond proceeds.



## **DISCLOSURE**

### Purpose

1. It is the policy of the City to fully comply with applicable state and federal securities law, and with the terms of its contractual agreements executed pursuant to Rule 15c2-12, adopted by the Securities and Exchange Commission, to provide financial and operating data periodically and timely notices of certain events or other reporting requirements.

### Objectives

2. To ensure compliance with applicable federal and state securities laws with respect to the securities that it issues, including with respect to any statement or other communication that is intended (or reasonably can be expected) to be accessible to and reasonably relied upon by investors in the City's securities, in order to:
  - a. Reduce and manage the City's (and its officials' and employees') exposure to liability for damages and enforcement actions based on misstatements or omissions;
  - b. Demonstrate that the City has taken reasonable care to avoid, to the best extent possible, the occurrence of misstatements or omissions;
  - c. Promote best practices regarding the preparation of disclosure documents;
  - d. Avoid damage to residents of the City and other third parties stemming from misstatements or omissions; and
  - e. Potentially reduce borrowing costs by establishing a reputation for providing good disclosure and thereby promoting good investor relations.

### Procedures

3. The CAO is responsible for the development and implementation of procedures to ensure compliance with this Disclosure Policy. The procedures promulgated by the CAO will establish a framework for compliance with, and adherence to, applicable state and federal securities laws relating to disclosure with respect to the City's primary offering documents, continuing disclosure certificate and filings, required state reporting, audited financial statements, websites and social media, and any public statements, among other things as determined by the CAO.



## CONDUIT FINANCING

### General

1. Conduit Finance and City Liability: A “conduit financing” is the issuance of municipal securities by a governmental unit such as the City (referred to as the “issuer” or the “conduit issuer”) to finance a project to be used primarily by a third party, which may be a for-profit entity engaged in private enterprise, a 501(c)(3) organization, or another government entity, which are all referred to as “conduit borrowers.” In a conduit financing, the conduit borrower is responsible for making debt service payments on the bonds. If the project fails and the security goes into default, it is the conduit borrower’s financial obligation, and not the City’s obligation as the conduit issuer.
2. Applicability and Administration: This Conduit Financing Policy applies where the City acts as a conduit issuer for a 501(c)(3) organization to finance projects such as hospitals, retirement facilities, museums, and community centers. The CAO will be responsible for managing these conduit financings. Conduit financings associated with affordable housing shall be undertaken in accordance with HCID’s debt policy. The CAO, however, has oversight responsibilities to review all bond transactions conducted by the HCID.

### Conduit Procedures

3. Pre-application Meetings: Early communication with Council Office staff and the CAO is recommended. In most cases, a meeting of the conduit borrower, also referred to herein as the “applicant”, the CAO, and the Council District staff, in which the project is located, will be required prior to submission of the formal application for funding.
4. Selection of Financing Team: The applicant will select its own financing team (e.g. underwriters and bond counsel), subject to the approval of the City.
5. Form of Application: Applications will be in the form of a letter request, to be submitted to the Council Office in which the project is located. The letter will request that the matter be forwarded to the CAO Debt Management Group for processing and reporting to the Mayor and City Council with a review of the project, identification of any potential impact to the City, and recommendations relative to proceeding with the conduit financing.
6. Application Information: The application letter should include the name, address and telephone number of all principals, including underwriter and bond counsel; a history of the applicant and its facilities; the population served by the facilities, including, if applicable, the percentages that receive some form of public assistance such as Medicare or Medical and the percentages that are residents of the City of Los Angeles; the population employed at the facilities; a complete



description of the proposed project(s) to be financed; the sources and uses of funds; and, a complete statement of the public purpose served through the conduit financing.

7. Application Review: City staff will review the application and obtain other information as required. A report will be made to the Mayor and City Council recommending whether or not the City should initiate financing activities. This action may include inducement of the project for federal tax purposes. Subsequently, assigned departmental staff will coordinate the completion of documents with the applicant, which will be submitted to the City Council for approval.
8. Public Hearing: The Tax Equity and Fiscal Responsibility Act of 1982 (the "TEFRA") requires that a public hearing be held to allow for the public to voice any objections to the project (the "TEFRA hearing"). If any entity other than the City (e.g. joint powers authority), is acting as the conduit issuer, the City's involvement begins and ends with the TEFRA hearing. In cases where the City is acting as the conduit issuer, the TEFRA hearing will be held in conjunction with consideration of the resolution authorizing the sale of the bonds.

#### Conditions for Consideration

9. Minimum Credit Ratings: Generally, all conduit financings should have a minimum credit rating of AA from any of the recognized rating agencies, and must be rated by at least two of the rating agencies. If the underlying rating of the borrower is not sufficient to provide the minimum rating, the financing must have credit support that will result in the minimum rating.
10. Public Benefit: The proposed conduit financing must have a public benefit to the residents of the City of Los Angeles that is sufficient to merit the City's participation.
11. Non-Sectarian Nature: While religious ownership and sponsorship of a project are acceptable, the project for which bond proceeds will be utilized cannot be used for any sectarian purpose. In analyzing the sectarian nature of a project, the City may rely on an opinion issued by the California State Attorney General on this matter, which address both federal and state constitutional prohibitions against public support for religious institutions.
12. Fees: The City will charge a fee, payable from bond proceeds, to pay for all of its costs in undertaking a conduit financing. The fee will vary depending on the complexity of the project and will be determined prior to adoption of the resolution authorizing the sale of the bonds.
13. Document Requirements: The following will be applicable to all documents related to conduit financings:



- a. All contracts to which the City is a party will comply with all City contracting provisions in effect at the time the contracts are executed.
- b. The transaction will be clearly structured as a limited obligation payable strictly from revenues from the conduit borrower, and the City will in no way be obligated to make payments on the bonds as a result of default.
- c. The conduit borrower will fully indemnify the City.
- d. The conduit borrower will provide annual financial statements to the City and a statement that there has been no default or other material event that requires disclosure. Additionally, the conduit borrower will covenant to expeditiously provide additional information to the City and investors as may reasonably be requested. The conduit borrower will covenant to immediately inform the City of any event that materially affects the organization and may require disclosure and be liable for any costs incurred in connection with providing additional disclosure to investors, bond rating agencies or other parties.
- e. In addition to monthly statements and other information provided for in the trust indenture, the Trustee will covenant to provide information to the City and investors as may reasonably be requested.
- f. Closing documents will include a contract with an arbitrage consultant.
- g. The conduit borrower will deem the preliminary official statement final for SEC purposes and will sign the final official statement.
- h. The name of the City of Los Angeles in the masthead of the official statement will be in the smallest type size used in that location and the name of the conduit borrower will be larger and more prominently displayed than that of the City.
- i. Throughout the official statement, the limited obligation of the City will be clearly disclosed.
- j. Private placements may not require marketing or disclosure documents such as an official statement or credit ratings.



# CITY OF LOS ANGELES

CALIFORNIA

MATTHEW W. SZABO

CITY ADMINISTRATIVE OFFICER



KAREN BASS  
MAYOR

ASSISTANT  
CITY ADMINISTRATIVE OFFICERS

PATRICIA J. HUBER  
MALAIKA BILLUPS  
BEN CEJA  
YOLANDA CHAVEZ  
EDWIN GIPSON II

## Request for Qualifications for Investment Banking Services

### Addendum #1

November 14, 2024

1. For "Section F: References", are these references to be specific to the firm, banker, either or both?

The references must be from firms or issuers for whom the firm responding to the Request for Qualifications has provided related services.