

**CITY OF SAN ANTONIO  
OFFICE OF THE CITY MANAGER**

**TO:** Mayor and City Council

**FROM:** Sheryl Sculley, City Manager

**COPY:** Executive Leadership Team

**SUBJECT:** Update to Memo Regarding Proposed Financial Underwriting Pool and Financial Underwriter Syndicate

**DATE:** June 14, 2017

While updating the due diligence of proposal submissions in response to the City's high profile solicitation titled "Financial Underwriting Services", the City Auditor's Office identified a political contribution made by M.E. Allison & Co., Inc. during the prohibited period as defined by City Code Article VII, Section 2-309 (f). The prohibited period began on the tenth business day after the City released the solicitation for the Underwriting Services and concludes thirty calendar days after the contract has been awarded (black out period). The contribution was made on May 7, 2017 during the black out and based upon this finding, the proposal submitted by M.E. Allison & Co., Inc. has been deemed non-responsive and will be removed from consideration from the City's proposed Financial Underwriting Pool and proposed Financial Underwriter Syndicate.

As a result, City staff is recommending that the proposed Financial Underwriting Pool be modified to include the addition of the firms of RBC Capital Markets and Jeffries LLC. This would allow the two additional firms to be utilized for the selection of underwriting syndicates for future financial transactions effectuated by the City over the term of the Pool. These firms are being recommended to replace the removal of M.E. Allison & Co. Inc. due to a virtual tie in scoring between the two firms. A difference of three tenths of a point separated RBC Capital Markets and Jeffries LLC. The revised proposed Financial Underwriting Pool is included as Exhibit I – Revised June 13, 2017.

The Financial Underwriter Syndicate proposed for the upcoming issuance of the 2017 General Improvement Bonds, Certificates of Obligations and Tax Notes will not change other than the removal of M.E. Allison & Co., Inc. as reflected in Exhibit II – Revised June 13, 2017.

**FINAL SCORE SUMMARY MATRIX**

REVISED JUNE 13, 2017

RFQ Financial Underwriting Services RFQ-16-085 Score Summary	Maximum Points	Samuel Ramirez	M.E. Allison & Co., Inc.	Siebert Brandford	Estrada Hinojosa	Hutchinson Shockey Erley	Loop Capital Markets, LLC	Samco Capital	Drexel Hamilton, LLC	UWB Bank	Stern Brothers	George K Baum	Academy Securities, Inc.	Mischler Financial	Backstron McCarley Berry	Rice Financial	Cabrera Capital Markets, LLC	Blacylock Beal Van, LLC	Rockfleet	Piper Jaffray & Co.	Stifel Nicolaus & Company, Inc.	Raymond James	Mesirow Financial	BOSC BOK Financial	William Blair & Co., LLC	Oppenheimer & Co. Inc.	Citigroup	Wells Fargo Securities, LLC	JP Morgan Securities	Merrill Lynch (Bank of America)	Morgan Stanley	RBC Capital Markets	Jefferies LLC	Barclays Capital	Goldman Sachs	Fidelity Capital Markets, a division of National Financial Services LLC	
		<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	<\$20 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$20 Million but <\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million	>\$500 Million
<b>A - Experience, Background, Qualifications</b>	<b>20</b>	17.67	11.50	17.17	15.00	15.50	15.83	14.50	10.17	12.83	11.67	11.83	9.00	10.00	10.33	10.33	10.50	8.17	5.67	18.33	17.17	17.17	15.00	13.83	12.67	11.83	18.67	17.50	17.50	17.33	16.83	16.67	16.83	16.83	16.00	11.33	
<b>B - Proposed Plan</b>	<b>45</b>	39.67	25.83	37.00	34.67	34.17	32.50	31.00	27.17	27.67	26.50	25.00	22.83	21.17	25.50	23.00	22.83	20.33	15.83	42.50	38.83	38.00	32.00	27.83	27.17	27.00	41.67	39.83	39.00	37.33	35.67	37.00	36.50	35.17	35.17	27.33	
<b>C - SBEDA - SBE Prime Contract and M/WBE Prime Contract Programs</b>	<b>20</b>	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>D - Local Preference Program</b>	<b>10</b>	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00
<b>E - VOSB Preference Program</b>	<b>5</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL SCORE</b>	<b>100</b>	<b>57.34</b>	<b>57.33</b>	<b>54.17</b>	<b>49.67</b>	<b>49.67</b>	<b>48.33</b>	<b>45.50</b>	<b>42.34</b>	<b>40.50</b>	<b>38.17</b>	<b>36.83</b>	<b>36.83</b>	<b>36.17</b>	<b>35.83</b>	<b>33.33</b>	<b>33.33</b>	<b>28.50</b>	<b>21.50</b>	<b>60.83</b>	<b>56.00</b>	<b>55.17</b>	<b>47.00</b>	<b>41.66</b>	<b>39.84</b>	<b>38.83</b>	<b>65.34</b>	<b>62.33</b>	<b>61.50</b>	<b>59.66</b>	<b>57.50</b>	<b>53.67</b>	<b>53.33</b>	<b>52.00</b>	<b>51.17</b>	<b>38.66</b>	
<b>RANK BASED ON TOTAL SCORE</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	

**Revised Exhibit I**  
**06/13/17**

**Financial Underwriting Pool**

<u>Firm</u>	<u>SBEDA Designation</u> <sup>1</sup>
1. Citigroup Global Markets, Inc.	
2. Drexel Hamilton, LLC <sup>2</sup>	SBE, VBE
3. Estrada Hinojosa & Company, Inc.	SBE, MBE
4. Hutchinson, Shockey, Erley & Co.	
5. J.P. Morgan Securities, LLC	
6. Jefferies LLC	
7. Loop Capital Markets, LLC	MBE
8. Merrill Lynch, Pierce, Fenner & Smith Inc.	
9. Mesirow Financial, Inc.	
10. Morgan Stanley & Co., Inc.	
11. Piper Jaffray & Co.	
12. Raymond James & Associates, Inc.	
13. RBC Capital Markets	
14. SAMCO Capital Markets, Inc.	
15. Samuel A. Ramirez & Co., Inc.	MBE
16. Siebert Cisneros Shank & Co., LLC	MBE
17. Stifel, Nicolaus & Company, Incorporated	
18. Wells Fargo Bank, National Association	

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<sup>1</sup> Certified by The South Central Texas Regional Certification Agency (SCTRCA).

<sup>2</sup> VOSB certified by EDD.

**Revised Exhibit III**  
**06/13/17**

**Proposed Financial Underwriter Syndicate**

General Improvement Bonds, Series 2017,  
Combination Tax and Revenue Certificates of Obligation, Series 2017, and  
Tax Notes, Series 2017

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<u>Firm</u>	<u>Role</u>	<u>SBEDA Designation</u>
Piper Jaffray & Co.	Senior Book Running Manager	
Loop Capital Markets, LLC	Co-Senior Manager	MBE
Drexel Hamilton, LLC	Co-Manager	SBE, VBE
Estrada Hinojosa & Company, Inc.	Co-Manager	SBE, MBE
Merrill Lynch, Pierce, Fenner & Smith Inc.	Co-Manager	
Raymond James & Associates, Inc.	Co-Manager	