

MEMORANDUM

Agenda Item No. 7(G)

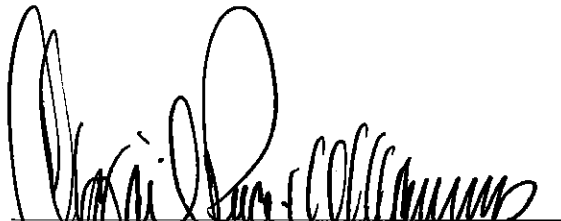
TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: (Second Reading 6-7-16)
April 5, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Ordinance repealing section 2-10.6 of the Code related to underwriters; creating a new section 2-10.6 of the Code related to underwriters; requiring sale of bonds through competitive bid, unless waived; establishing Mayor's Finance Committee and related functions; establishing and setting forth criteria of underwriting pool; providing mechanism for assignment of underwriting firms to negotiated bond transactions

The accompanying ordinance was prepared by Finance Department and placed on the agenda at the request of Prime Sponsor Commissioner Juan C. Zapata.


Abigail Price-Williams
County Attorney

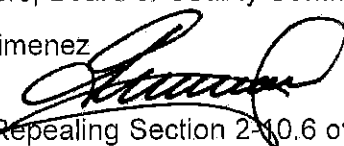
APW/cp

Memorandum



Date: June 7, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Ordinance Repealing Section 2-10.6 of the Code related to the Underwriting Pool

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) repeal Section 2-10.6 of the Code of Miami-Dade County, Florida (Section 2-10.6) by enacting the accompanying Ordinance. This Ordinance provides for the following:

- That all County bonds be sold by competitive bid, unless waived;
- Re-establishes the Mayor's Finance Committee (MFC);
- Replaces the current provisions pertaining to the selection of underwriting firms for negotiated bond transactions with new provisions, creating an underwriting pool based on each firm's capital strength and ability to underwrite bonds; and
- Provides a mechanism for assignment of underwriting firms to negotiated bond transactions.

This Ordinance further authorizes the County Mayor to prepare and issue a new Request for Qualifications for the selection of underwriting firms; sets forth new criteria for the assignment by the MFC of underwriting firms to negotiated transactions; establishes terms and provisions for a new pool; and authorizes the MFC to continue to make assignments on negotiated transactions until the initial Pool is established under this Ordinance.

Scope

This Ordinance will have a countywide impact.

Fiscal Impact/Funding Source

There is no fiscal impact associated with the enactment of this Ordinance.

BACKGROUND

On June 22, 1999, the Board enacted Ordinance No. 99-73 providing that all general obligation, special obligation, and revenue bonds of the County be sold at a competitive public sale, unless waived; establishing the MFC and its composition; and creating a new Underwriting Pool divided into two (2) divisions: one division for firms with a minimum of \$250,000.00 and a maximum of \$5 million of "Net Capital Before Haircuts" and the second division for firms with more than \$5 million of "Net Capital Before Haircuts." Net Capital Before Haircuts is defined in the Securities Exchange Commission's Focus Report, Form II, Line 3640, filed by underwriters, as net unencumbered capital available for, among other things, to underwrite municipal bond transactions. Ordinance No. 99-73 was further amended by the Board on November 30, 2004, with the enactment of Ordinance No. 04-202 that provided for an increase in the representatives to the MFC and a new provision for suspension or removal of firms from the Underwriting Pool.

In order to maintain the County's goal of achieving the most advantageous price in the marketplace, it is recommended that the County establish a new Underwriting Pool and revise the process by which assignments are made for negotiated bond transactions. By selecting firms based on each firm's

financial expertise and capabilities the County would be assured (1) that each member of its underwriting pool has the capital strength and ability to underwrite and market effectively the County's bonds and (2) the underwriting team assigned to each County transaction will consist of the same number of firms from each Segment (as defined below). To accomplish this goal, Section 2-10.6, which codified Ordinance Nos. 99-73 and 04-202, needs to be repealed.

The accompanying Ordinance repeals Section 2-10.6 but continues to provide that:

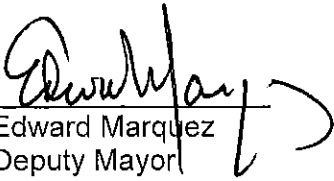
1. all general obligation, special obligation and revenue bonds of the County be sold at a competitive public sale;
2. the sale of bonds by competitive bid may be waived upon the written recommendations of the County Mayor and the County's financial advisors by a majority vote of the Board or without such recommendation by an affirmative two thirds vote of the entire Board, provided the Board makes specific finding in favor of the waiver;
3. the MFC shall be maintained;
4. staff shall prepare a new RFQ for underwriter solicitation;
5. the senior manager position for unsolicited proposals accepted by the County shall be assigned to the underwriting firm submitting the proposal whether a member of the Underwriting Pool or not, provided that the firm meets the Net Capital Before Haircut requirement of the Ordinance; and
6. the provisions of the accompanying Ordinance shall not apply to the County's peripheral authorities.

The accompanying Ordinance changes the underwriter selection process by providing that:

1. a new Underwriting Pool shall be established consisting of three (3) segments (Segment) of underwriting firms categorized by their Net Capital Before Haircuts.
 - **Segment 1 (National Firms)** shall consist of up to twelve (12) underwriting firms with a Net Capital Before Haircuts greater than or equal to \$350,000,000.00;
 - **Segment 2 (Regional Firms)** shall consist of up to six (6) underwriting firms with a Net Capital Before Haircuts greater than or equal to \$5,000,000.00 and less than \$350,000,000.00;
 - **Segment 3 (Small Business Firms)** shall consist of up to six (6) underwriting firms with a Net Capital Before Haircuts greater than or equal to \$250,000.00 and less than \$10,000,000.00;
 - Any underwriting firm with Net Capital Before Haircuts between \$5,000,000.00 and \$10,000,000.00 may apply for either Segment 2 or Segment 3.
2. any firm not selected to the Underwriting Pool shall be placed in the "batter's box" for the purpose of filing any vacancy;
3. all underwriting firms selected to the Underwriting Pool will be assigned to one of three (3) teams (Team) based on their RFQ rank;
4. Segment 1 and 2 firms may be Senior Manager but must have 15 times their Net Capital Before Haircuts (Eligible Amount) greater than or equal to 60 percent of the par amount of the transaction; while a Segment 3 firm may be Senior Manager on a County bond transaction with a par amount equal to or less than \$125 million, or if the firm has an Eligible Amount equal to 60 percent of the par amount of the bond transaction;
5. the MFC shall assign a Team for negotiated transactions based on the par amount of the transaction with the intent of equalizing the par amount assigned to each of the three (3) Teams; and

6. all assignments shall be subject to an award resolution.

A subsequent resolution will be forwarded to the Board for approval with recommendations for Underwriters to be assigned for each Segment.



Edward Marquez
Deputy Mayor

Memorandum



Date: June 7, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Subject: Social Equity Statement for Ordinance repealing Section 2-10.6 of the County Code
Relating to Underwriters

The proposed Ordinance repeals Section 2-10.6 of the Code of Miami-Dade County related to the Underwriters Pool and creates a new Section 2-10.6 of the Code. The new Section 2-10.6 of the Code will continue to require the following: (1) general obligation, special obligation and revenue bonds of the County be sold at a competitive public sale unless waived; (2) the Mayor's Finance Committee will be maintained and underwriters will be selected through a new Request For Proposal; (3) Senior Managers for unsolicited proposals will be assigned to the underwriting firm submitting the proposal regardless of membership in the Underwriting Pool; (4) and the provisions of the Ordinance will not apply to the County's peripheral authorities. The Ordinance will replace current provisions pertaining to the selection of underwriting firms for negotiated bond transactions, and the creation of an underwriting pool will be based on the firm's capital strength and ability to underwrite bonds.

Repealing Section 2-10.6 of the Code and creating a new Section 2-10.6 of Code will benefit the County and enhance the County's goal of achieving the most competitive price in the marketplace by securing the lowest cost of funds.

A handwritten signature in black ink, appearing to read "Edward Marquez". The signature is cursive and includes a long horizontal stroke extending to the right.

Edward Marquez
Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: June 7, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 7(G)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(G)
6-7-16

ORDINANCE NO. _____

ORDINANCE REPEALING SECTION 2-10.6 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA RELATED TO UNDERWRITERS; CREATING A NEW SECTION 2-10.6 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA RELATED TO UNDERWRITERS; REQUIRING SALE OF BONDS THROUGH COMPETITIVE BID, UNLESS WAIVED; ESTABLISHING MAYOR'S FINANCE COMMITTEE AND RELATED FUNCTIONS; ESTABLISHING AND SETTING FORTH CRITERIA OF UNDERWRITING POOL; PROVIDING MECHANISM FOR ASSIGNMENT OF UNDERWRITING FIRMS TO NEGOTIATED BOND TRANSACTIONS; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, in furtherance of the County's goal to achieve the most aggressive price in the marketplace, the Board of County Commissioners of Miami-Dade County, Florida (the "Board") wishes to select a new pool of underwriting firms and to make assignments from such pool to negotiated transactions based solely on each firm's financial expertise and capabilities, specifically capital strength and ability to underwrite and market bonds effectively; and

WHEREAS, to accomplish this goal the Board wishes to repeal Section 2-10.6 of the Code of Miami-Dade County, Florida (the "County Code") in its entirety and replace it a new Section 2-10.6 of the County Code as set forth in this Ordinance; and

WHEREAS, this Board desires to accomplish the purposes outlined in the County Mayor's memorandum, a copy of which is attached hereto and incorporated by reference,

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
MIAMI-DADE COUNTY, FLORIDA:**

Section 1. The foregoing recitations are deemed true and correct and are incorporated as a part of this Ordinance.

Section 2. Section 2-10.6 of the County Code is repealed in its entirety and shall be replaced with the terms of this Ordinance.¹

Section 3. Section 2-10.6 of the County Code is hereby created to read as follows:

**>>Sec. 2-10.6. Competitive bidding requirement for all County
bond transactions.**

(1) Definitions. In addition to words and terms defined within the context of this Ordinance, the following words and terms shall mean:

(a) “Capital Before Haircut” means “Net Capital before haircuts on securities positions” as shown in item 3640 of each underwriting firm’s Focus Report filed with the SEC periodically or any equivalent measure of capital established by the SEC from time to time.

(b) “Eligible Amount” means an underwriting firm’s Capital Before Haircut multiplied by 15, or any equivalent measure of eligibility established by the SEC from time to time.

(c) “Focus Report” means the monthly focus report filed by underwriting firms with the SEC or any successor report required by the SEC from time to time.

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

- (2) Sale of Bonds. All general obligation, special obligation and revenue bonds, certificates of participation, notes and other similar obligations of the County (collectively, the “Bonds”) shall be sold at public sale by competitive bid at such place or places as the Board shall determine.
- (3) Waiver of Competitive Sale. The provisions of subsection 2 may be waived:
- (a) upon both the written recommendation of the County Mayor and the County’s financial advisor responsible for the transaction in question, and by a majority vote of the entire membership of the Board that a waiver is in the best interest of the County, provided the written recommendation of County Mayor sets forth specific findings as to the reasons a negotiated sale is recommended; or
 - (b) by an affirmative vote of two-thirds (2/3) of the entire membership of the Board, provided the Board makes specific findings as to the reasons a negotiated sale is in the best interest of the County.
- (4) Mayor’s Finance Committee.
- (a) The Mayor’s Finance Committee (“MFC”) is established and shall be comprised of a representative of the County Mayor’s Office, the Water and Sewer Department, the Aviation Department, the Department of Solid Waste Management, the Seaport Department, the Department of Transportation and Public Works, and the Office of Strategic Business Management; and two members from the public sector and one member from the private sector to be selected by the County Mayor, all of whom shall be familiar with corporate or municipal public finance. The representative of the County Mayor’s Office shall serve as voting Co-Chairperson and the Finance Director shall serve as a non-voting Co-Chairperson.

- (b) The County Attorney's Office shall serve as staff counsel to the MFC. The County's Financial Advisors shall serve in an advisory capacity pursuant to the terms of this Ordinance.
- (c) A majority of the voting members present shall constitute a quorum for purposes of transacting business.
- (d) It shall be the responsibility of the MFC to assign the underwriting teams to a particular negotiated transaction in accordance with the terms of this Ordinance.
- (e) The MFC shall make recommendations to the County Mayor whether a particular transaction has merit.
- (f) The Miami-Dade County Conflict of Interest and Code of Ethics Ordinance, codified in Section 2-11.1 of the County Code, shall be applicable to the members of the MFC.

(5) Selection of Underwriting Firms Pursuant to RFQ.

- (a) The County Mayor shall issue a Request for Qualifications ("RFQ") for the selection of underwriting firms to serve as members of the County's Underwriting Pool (the "Pool") on all negotiated transactions, prior to each Pool term. All underwriting firms in the Pool may serve as Senior Manager, Co-Senior Manager or Co-Manager in accordance with the provisions of this Ordinance.
- (b) No underwriting firm shall be a member of the Pool if such underwriting firm is serving as one of the financial advisors to the County.

(6) Underwriting Pool.

- (a) A Pool shall be in existence for a five-year period, commencing on the effective date of the Board's approval of that Pool (the "Term"). A Pool may be established by resolution after a RFQ proposal process is complete.

- (b) The Pool shall consist of three segments of underwriting firms (the “Segment” or “Segments”) categorized by their Capital Before Haircut. The three Segments are:
- (i) Segment 1 – National Firms: Segment 1 shall consist of underwriting firms with a Capital Before Haircut greater than or equal to \$350,000,000.
 - (ii) Segment 2 – Regional Firms: Segment 2 shall consist of underwriting firms with a Capital Before Haircut greater than or equal to \$5,000,000 and less than \$350,000,000.
 - (iii) Segment 3 – Small Business Firms: Segment 3 shall consist of underwriting firms with a Capital Before Haircut greater than or equal to \$250,000 and less than \$10,000,000.
- (c) Underwriting firms responding to the RFQ shall indicate which Segment they are applying under and must meet the Capital Before Haircut requirement for that Segment; however, an underwriting firm with Capital Before Haircut between \$5,000,000 and \$10,000,000 may apply under either Segment 2 or Segment 3 but shall be subject to the applicable rules of that Segment.
- (d) The aggregate total number of underwriting firms selected in the Pool shall not exceed 24 firms.
- (e) Underwriting firms responding to the RFQ shall be evaluated on a point-based system by an Evaluation/Selection Committee to determine their rank (“RFQ Rank”) within the list of qualified underwriting firms.
- (f) Selection of underwriting firms to the three Segments of the Pool shall be based on RFQ Rank as follows:

- (i) Segment 1 shall consist of the 12 highest ranked underwriting firms that have applied under Segment 1 of the Pool; however, if fewer than 12 firms have applied under Segment 1, Segment 1 shall consist of only the nine highest ranked firms that have applied under Segment 1.
- (ii) Segment 2 shall consist of the six highest ranked underwriting firms that have applied under Segment 2 of the Pool; however, if fewer than six firms have applied under Segment 2, Segment 2 shall consist of only the three highest ranked firms that have applied under Segment 2.
- (iii) Segment 3 shall consist of the six highest ranked underwriting firms that have applied under Segment 3 of the Pool; however, if fewer than six firms have applied under Segment 3, Segment 3 shall consist of only the three highest ranked firms that have applied under Segment 3.
- (g) Any additional underwriting firms that have responded to the RFQ but not selected to the Pool shall be placed in "batter's box" for the purpose of filling any vacancy that may occur in one of the Teams (as defined below) pursuant to the provisions of subsection 8(c) below.
- (h) Each underwriting firm shall submit line 3640 (Capital Before Haircut) of its Focus Report to the County upon each filing of the underwriting firm's Focus Report, and at the very least, every six months. Failure by the underwriting firm to submit the Focus Report within 10 business days from the date of the Focus Report could result in automatic removal from the Pool.
- (i) If the average Capital Before Haircut of an underwriting firm decreases below \$250,000 over a period of six consecutive months, the MFC shall automatically remove the underwriting firm from the Pool.

- (j) Underwriting firms may be suspended or removed from the Pool upon the written recommendation of the MFC to the County Mayor, who will then consider the MFC's recommendation before submitting his or her recommendation to the Board. The County Mayor shall not be bound by the MFC's recommendation and may recommend to the Board the suspension or removal of an underwriting firm from the Pool without a recommendation from the MFC. Final decisions reside with the Board, which may also suspend or remove an underwriting firm without a recommendation from the MFC or the County Mayor.

- (k) The MFC, County Mayor or the Board shall consider, among other factors, the following in evaluating whether an underwriting firm shall be suspended or removed from the Pool:
 - (i) Any investigation whether threatened, pending or resolved by any federal or state authority, including the State of Florida, concerning an underwriting firm's public finance related activities, particularly any Miami-Dade transactions, as evidenced by receipt of a Wells Letter or notice of a Wells Letter received by the firm with respect to a federal investigation and/or receipt or notice of an investigation from any state, including the State of Florida; or
 - (ii) Any civil or criminal litigation involving the firm or any of its principals relating to activities as underwriters.

- (l) An underwriting firm shall be automatically removed from the Pool if the underwriting firm:
 - (i) Ceases operations due to bankruptcy; or
 - (ii) Terminates underwriting operation activities.

(7) Sale on a Negotiated Basis. Whenever the competitive bid process has been waived pursuant to the provisions of subsection 3, the transaction being proposed may be sold on a negotiated basis to the underwriting firms assigned in the manner described in subsections 8 and 9.

(8) Assignment of Underwriting Firms to Teams.

(a) All underwriting firms selected to the Pool will be assigned to one of three teams ("Team"), with each team comprised of eight underwriting firms: four firms from Segment 1, two firms from Segment 2, and two firms from Segment 3.

(b) Individual underwriting firms in the Pool will be assigned to the three Teams based on their Segment and RFQ Rank, as follows:

(i) Team 1 shall consist of the first, sixth, seventh and twelfth ranked firms from Segment 1; the third and fourth ranked firms from Segment 2; and the first and sixth ranked firms from Segment 3.

(ii) Team 2 shall consist of the second, fifth, eighth and eleventh ranked firms from Segment 1; the second and fifth ranked firms from Segment 2; and the second and fifth ranked firms from Segment 3.

(iii) Team 3 shall consist of the third, fourth, ninth and tenth ranked firms from Segment 1; the first and sixth ranked firms from Segment 2; and the third and fourth ranked firms from Segment 3.

(c) The three Teams shall remain constant for the duration of the Term, unless a vacancy in one of the Teams occurs, in which case such vacancy shall be filled by the underwriting firm in the "batter's box" (as defined in subsection 6(g) above) with the highest RFQ Rank that has applied under the same Segment as the firm it is replacing. If such vacancy cannot be filled with an underwriting firm from the "batter's box," the County Mayor shall issue a RFQ

for the limited purpose of selecting an underwriting firm to fill such vacancy. An underwriting firm selected to fill a vacancy in a Team shall remain a member of the Team for the duration of the Term and shall receive the same number of Assignment Points (as defined below) as the firm it is replacing. In the event that a vacancy in a Team cannot be filled as provided above, any new Assignment Points resulting from such vacancy shall be reallocated to the remaining members of the Team as determined by the MFC.

(9) Assignment of Underwriting Teams to Particular Bond Transaction.

(a) Until a new Pool is established pursuant to the terms of this section, the MFC shall continue to make assignments on negotiated transactions pursuant to the provisions of Section 2-10.6 of the County Code in the same manner as if such provisions were still in effect.

(b) After a new Pool is established pursuant to the terms of this section, bond transactions will be assigned to the three Teams as follows:

(i) The first bond transaction shall be assigned to Team 1.

(ii) The second bond transaction shall be assigned to Team 2.

(iii) The third bond transaction shall be assigned to Team 3.

(iv) All subsequent bond transactions shall be assigned to the Team with the least par amount of Bonds previously assigned, with the intent of equalizing the par amount of Bonds sold by each Team.

- (c) A Senior Manager shall be assigned to each bond transaction as follows:
- (i) Once a Team is assigned a bond transaction, one Senior Manager shall be assigned from that Team.
 - (ii) A Segment 1 firm or a Segment 2 firm may be the Senior Manager but must have an Eligible Amount greater than or equal to 60 percent of the par amount of the transaction. A Segment 3 firm may be the Senior Manager on any transaction with a par amount equal to or less than \$125,000,000.00, or if the firm has an Eligible Amount greater than or equal to 60 percent of the par amount of the transaction.
 - (iii) The Senior Manager shall be assigned 35 percent of the par amount of the transaction as its assigned points (“Assignment Points”). Such Assignment Points shall have no relationship to the firm’s compensation.
 - (iv) The Senior Manager for the first bond transaction assigned to a Team shall be the underwriting firm with the highest RFQ Rank in that Team. For each subsequent bond transaction assigned to that Team, the Senior Manager shall be the underwriting firm with the next highest RFQ Rank, until all members on the Team have served as Senior Manager on a transaction. Once all members on a Team have served as Senior Manager on a transaction, the Senior Manager for each subsequent transaction assigned to that Team shall be the member with the fewest Assignment Points, with the intent of equalizing Assignment Points across all Team members.

- (v) For the first two bond transactions with a par amount less than or equal to \$125 million, the two Segment 3 firms on the assigned Team shall serve as Senior Manager, one for each transaction. Thereafter, the Senior Manager will be assigned in accordance with subsection 9(c)(iv) above.

- (d) Co-Senior Managers shall be assigned to each bond transaction as follows:
 - (i) Once a Team is assigned a bond transaction, two Co-Senior Managers shall be assigned from that Team.

 - (ii) The two Co-Senior Managers shall be firms from the two Segments not represented by the Senior Manager.

 - (iii) Each Co-Senior Manager shall be assigned 15 percent of the par amount of the transaction as its Assignment Points. Such Assignment Points shall have no relationship to the firm's compensation.

 - (iv) The Co-Senior Managers for the first bond transaction assigned to a Team shall be the underwriting firms with the highest RFQ Rank in that Team from the two Segments not represented by the Senior Manager. For each subsequent bond transaction assigned to that Team, the Co-Senior Managers shall be the underwriting firms with the next highest RFQ Rank in that Team from the two Segments not represented by the Senior Manager, until all Team members from the two Segments not represented by the Senior Manager have served as Co-Senior Manager on a transaction. Once all Team members from the two Segments not represented by the Senior Manager have served as Co-

Senior Manager on a transaction, the Co-Senior Managers for each subsequent transaction assigned to that Team shall be the members with the fewest Assignment Points, with the intent of equalizing Assignment Points across all Team members.

(e) Co-Managers shall be assigned to each bond transaction as follows:

(i) Once a Team is assigned a bond transaction, the five remaining Team members not serving as either Senior Manager or Co-Senior Manager shall serve as Co-Managers on the transaction.

(ii) Each Co-Manager shall be assigned 7 percent of the par amount of the transaction as its Assignment Points. Such Assignment Points shall have no relationship to the firm's compensation.

(10) Award Resolution. All Bonds sold to an underwriting firm in the Pool must be accomplished pursuant to a resolution of the Board. The Board reserves the right to remove an underwriting firm, suspend an underwriting firm or to exercise its sole discretion and not award a particular transaction to an underwriting firm.

(11) Post-Sale Review. After completion of each transaction, the participating underwriting firms shall be subject to post-sale review by the Finance Director and the County's financial advisor assigned to the matter. The criteria to be reviewed shall include, among other things, breakdown of Bonds sold at retail or to institutions, responsiveness and cooperation of individuals assigned to each aspect of the transaction, perspective concerning agreed compensation and results achieved when compared with similar credits in the same market. The MFC may, based on one or more such reviews, submit a report to the Board recommending removal of any one or more underwriting firms.

(12) Unsolicited Proposals.

- (a) It is contemplated that underwriting firms will continually monitor the County's capital needs and market opportunities and develop unsolicited proposals in order to increase the likelihood for a negotiated transaction. In the event an unsolicited proposal results in a negotiated transaction within a reasonable time of its submission, the underwriting firm that submitted the unsolicited proposal, whether a member of the Pool or not, shall serve as Senior Manager, provided the underwriting firm has an Eligible Amount greater than or equal to 60 percent of the par amount of the transaction as required by subsection 9(c)(i) above.
- (b) If the underwriting firm that submitted the unsolicited proposal is a current member of a Team, the remaining members of that Team shall also be assigned the transaction. For such a transaction, the underwriting firm that submitted the unsolicited proposal shall serve as Senior Manager and shall be allocated Assignment Points in accordance with subsection 9(c)(iii) above; however, the underwriting firm's service as Senior Manager shall not count for purposes of subsection 9(c)(iv) above. Co-Senior Managers and Co-Managers shall also be assigned to the transaction and allocated Assignment Points in accordance with subsections 9(d) and (e) above.
- (c) If the underwriting firm that submitted the unsolicited proposal is not a current member of a Team, a Team will also be assigned to the transaction in accordance with the provisions of subsection 9(b) above, and the underwriting firm will be added to the Team solely for the purposes of the transaction and will not remain with the Team upon the completion of the transaction. For such a transaction, the underwriting firm that submitted the unsolicited proposal shall serve as Senior Manager and shall be allocated Assignment Points in accordance with subsection 9(c)(iii) above. Of the eight remaining Team members, the three firms with the fewest Assignment Points—one firm from

each Segment—shall serve as Co-Senior Managers on the transaction and shall be allocated 10 Assignment Points each, and the five remaining Team members not serving as either Senior Manager or Co-Senior Manager shall serve as Co-Managers on the transaction and shall be allocated Assignment Points in accordance with subsection 9(e)(ii) above.

- (d) A meritorious unsolicited proposal must be a unique and innovative approach to: solving a County financial problem; improving the way in which the County gains access to short or long term capital funds; or identifying new sources of security to support County debt obligations. Matters which should be routinely monitored by the County's financial advisors such as debt which should be refunded for interest cost savings will not qualify. In addition, interest rate swap recommendations will not ipso facto qualify as meritorious unsolicited proposals. An unsolicited proposal deemed meritorious by the financial advisors shall be presented to the MFC for consideration. Upon a majority vote of the MFC in favor of the unsolicited proposal, underwriting firms will be assigned to the bond transaction in accordance with the terms of this Ordinance.

(13)

Exceptions. The provisions of this Ordinance do not apply to the issuance of Bonds by the Miami-Dade County Educational Facilities Authority; the Miami-Dade County Health Facilities Authority; the Housing Finance Authority of Miami-Dade County, Florida and the Miami-Dade County Industrial Development Authority.<<

Section 4. If any section, subsection, sentence, clause or provision of this Ordinance is held invalid, the remainder of this Ordinance shall not be affected by such invalidity.

Section 5. It is the intention of this Board, and it is hereby ordained that the provisions of this Ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this Ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 6. This Ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

ADW
MSM

Prepared by:

Michael J. Mastrucci