



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



DATE: June 18, 2013
BOARD MEETING DATE: July 9, 2013
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: John L. Malbtie, County Manager

SUBJECT: Agreement with Orrick, Herrington & Sutcliffe LLP, for Legal Services
Related to Bond Financings in Calendar Years 2013 and 2014

RECOMMENDATION:

Adopt a Resolution waiving the Request for Proposals process and authorizing an agreement with Orrick, Herrington and Sutcliffe LLP for Legal Services as Bond Counsel in connection with the issuance of Lease Revenue Bonds and Certificates of Participation, to be issued within the next 18 months.

BACKGROUND:

The County and the Community Development Commission are the members of the San Mateo County Joint Powers Financing Authority (the "Authority"). The Authority is preparing to issue Lease Revenue Bonds (LRBs) for the refunding of the outstanding portion of the Authority's 1997, 1999 and 2001 Lease Revenue Bonds and a new money financing of the Skyonda Fire Station. The County also plans on financing the Replacement Jail Project and refunding callable Colma Creek Flood Control Certificates of Participation (COPs) over the next 18 months. The issuance of bonds presents unique legal and financial issues for both the Authority and the County requiring specific expertise in bond financing and tax law.

DISCUSSION:

Mary Collins of the law firm of Orrick, Herrington & Sutcliffe LLP ("Orrick"), is particularly well qualified in the areas of bond law, and has done considerable work as bond counsel for the County, the Authority and other public entities. Ms. Collins has provided services to the County in the past, with excellent results. Due to Ms. Collins familiarity with the County and her prior experience assisting the County in the issuance of lease revenue bonds and COPs, we are requesting a waiver of the Request for Proposal process.

Under the proposed bond counsel contract, amounts will be compensated at an hourly rate upon presentation of an invoice, payable solely upon the delivery and receipt of payment for the Bonds upon their sale. Orrick partners will bill at between \$850 per hour and \$715 per hour, which is a very competitive rate for the Bay Area. Associates bill at

rates between \$590 per hour and \$200 per hour. The term of the agreement will cover at least the next two anticipated issuances, with a total compensation not to exceed \$300,000, including approximately \$6,000 for out of pocket expenses, for those two issuances. The proposed agreement would also provide for continued services as Bond Counsel should there be an additional issuance.

County Ordinance Code Section 2.14.040 provides that the Board of Supervisors has the sole authority to retain outside counsel.

The Agreement and Resolution have been reviewed and approved by County Counsel.

Authorizing this Agreement will contribute to the Shared Vision 2025 outcome of a collaborative community by supporting fiscal accountability.

FISCAL IMPACT:

For the two issuances, the maximum amount to be paid out under the Bond Counsel Contract would be \$300,000. Any amounts paid will be paid out of the Bond proceeds. There is no additional Net County Cost.