

SUMMARY STATEMENT

ITEM NO.: DRPA-16-089

SUBJECT: Selection of Qualified Firms to provide Underwriting and Remarketing Services to the Delaware River Port Authority

COMMITTEE:

Finance Committee

COMMITTEE MEETING DATE:

August 10, 2016

BOARD ACTION DATE:

August 17, 2016

PROPOSAL: That the Board select a list of Qualified Underwriters and Remarketing Agents who can provide investment banking and remarketing agent services to the Authority over a period of three years (with an option for an additional two years) following Board approval.

PURPOSE: To create a “pool” of investment banking firms to provide underwriting, remarketing investment banking services for the Authority, specifically related to bond issuances and remarketing of the Authority’s variable rate bonds.

BACKGROUND: In May 2012, the Authority issued a Request for Qualifications asking that investment banking firms submit their statements of qualification to the Authority, to service as potential underwriters for bond issuances (fixed or variable rate issuances) and/or to serve as remarketing agents for the Authority’s existing or future variable rate demand obligation debt. The Board approved a pool of underwriters and remarketing agents for a three year period, which expired in May of 2015.

On March 31, 2016, the Authority issued a new request for qualifications (entitled “*Investment Banking Services: Underwriter (Fixed and Variable Rate Bonds) & Remarketing Agent*”) for investment banking firms to qualify for inclusion into the pool of qualified Underwriters and Remarketing Agents, from which the Authority could choose for any future bond issuances or variable rate/letter of credit related transactions. Sixteen (16) firms responded to the RFQ.

After review of the proposals, thirteen (13) respondents are recommended for inclusion on the qualified list for both Senior or Co-Manager of bond issuances and are also qualified to serve as potential remarketing agents for any existing or future variable rate/letter of credited related transactions. Two (2) firms qualify only for underwriting services (they did not request inclusion for remarketing services). The pool of investment firms will be for a period of three years, with an option for the Authority to add two additional years, at

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its option. Note however, that inclusion on this list does not mean that a particular firm will be assigned any investment banking work; that decision will depend on the needs of the Authority during the period.

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|-----------------|--------------------------------|---|
| SUMMARY: | Amount: | To be determined |
| | Source of Funds: | Bond Costs of Issuance and/or Revenue And General Fund |
| | Capital Project #: | N/A |
| | Operating Budget: | N/A |
| | Master Plan Status: | N/A |
| | Other Fund Sources: | None |
| | Duration of Pool: | Three years, with an option of two additional years |
| | Other Parties Involved: | See attached list |

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RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority hereby approves the attached list of investment banking firms to be considered qualified to provide investment banking, specifically underwriting and remarketing services to the Authority, over the forthcoming three year period; with an option for two additional years at the Authority's discretion and be it further

RESOLVED: That assignment of work will depend on actual need and will be made in accordance with the By-laws, Compact, and all applicable Board Resolutions.

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|-----------------|--------------------------------|---|
| SUMMARY: | Amount: | To be determined |
| | Source of Funds: | Bond Costs of Issuance and/or Revenue And General Fund |
| | Capital Project #: | N/A |
| | Operating Budget: | N/A |
| | Master Plan Status: | N/A |
| | Other Fund Sources: | None |
| | Duration of Pool: | Three years, with an option of two additional years |
| | Other Parties Involved: | See attached list |

Qualified List for Firms providing both Underwriting and
Remarketing Services

1. Bank of America Merrill Lynch
2. Barclay's Capital Inc.
3. BNY Mellon Capital Markets, LLC
4. CitiGroup Global Markets, Inc.
5. Goldman Sachs & Co.
6. J.P. Morgan Securities, LLC
7. Loop Capital Markets, LLC
8. Morgan Stanley
9. Piper Jaffray & Co.
10. PNC Capital Markets, LLC
11. Raymond James & Associates, Inc.
12. RBC Capital Markets LLC
13. Wells Fargo Securities

Qualified List for Firms providing Underwriting Services only

1. FTN Financial Capital Markets
2. Janney Montgomery Scott LLC