

Summary of Underwriter Selection**Recommended Firms for 2020 Measure R Refunding Bonds**

Position	Firm
Senior Manager	Wells Fargo Securities
Co-Senior Manager	BofA Securities, Inc.
Co-Senior Manager	Barclays Capital Inc.
Co-Senior Manager	Citigroup Global Markets
Co-Manager	Loop Capital Markets LLC (Minority Business Enterprise)
Co-Manager	Ramirez & Co., Inc. (Minority Business Enterprise)

Proposed Price (Takedown): Up to \$1.50 per \$1,000 of Bonds (0.15% of the bond issue)

The takedown is normally the largest component of the spread, similar to a commission, which represents the income the selling broker or dealer derives from the sale of the bonds. It compensates the underwriters for their work in structuring the transaction, marketing the transaction, and underwriting any bonds that are not pre-sold to investors. Note that the actual takedown rate varies by bond maturity and will be in accordance with the senior manager's proposal. The takedown rates for all the firms will be at the rates of the senior manager. Out of pocket expenses will be an additional charge.

Recommended Firms for Underwriting Pool (in alphabetical order)

Bank of America Merrill Lynch
Barclays Capital Inc.
Citigroup Global Markets Inc.
Drexel Hamilton LLC (Disabled Veteran Owned Enterprise)
FHN Financial Capital Markets
Goldman Sachs & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets LLC (Minority Business Enterprise)
Morgan Stanley
Ramirez & Co., Inc. (Minority Business Enterprise)
RBC Capital Markets, LLC
Siebert Williams Shank & Co., LLC (Minority Business Enterprise)
Stifel, Nicolaus & Company, Incorporated
UBS Financial Services Inc.
Wells Fargo Bank, N.A.

Evaluation of Proposals

The Request For Proposals (“RFP”) was sent on December 18, 2019 to 47 firms who had previously expressed interest in serving as underwriter on our bonds or were known as active in the California market. Proposals were due January 17, 2020 and were received from the 27 firms listed below:

List of Proposers
280 Securities
Academy Securities, Inc.
AmeriVet Securities, Inc.
BofA Securities, Inc.
Barclays Capital Inc.
Blaylock Van, LLC
Cabrera Capital Markets LLC
Citigroup Global Markets Inc.
D.A. Davidson & Co.
Drexel Hamilton, LLC
FHN Financial Capital Markets
Goldman Sachs & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets LLC
Mischler Financial Group, Inc.
Morgan Stanley & Co. LLC
Oppenheimer & Co. Inc.
Ramirez & Co., Inc.
RBC Capital Markets, LLC
Rice Financial Products Company
Siebert Williams Shank & Co., LLC
Stern Brothers & Co.
Stifel, Nicolaus & Company, Incorporated
Sumitomo Mitsui Banking Corp.
TD Securities (USA) LLC
UBS Financial Services Inc.
Wells Fargo Securities

Proposals were evaluated in accordance with the guidelines and the following criteria established in the RFP:

- Relevant experience of the firm and its individuals 25%
- Capabilities of the firm of underwriting & distributing LACMTA’s debt 30%
- Demonstrated commitment of the firm to LACMTA 25%
- Quality of the proposal 20%

Relevant experience included transportation debt, experience working directly with TIFIA or on debt that was secured by revenues that also secured TIFIA loans, toll revenue bonds, grant anticipation notes, and private activity bonds. In addition to experience, firms were asked to provide evidence demonstrating their commitment to LACMTA which included items such as bidding on recent competitive bond issues, liquidity support, or other materials that had been recently provided. The RFP also included questions about providing specific suggestions for the structuring of LACMTA's bonds as well as suggestions for our debt program, in general. The selection committee made up of four staff and LACMTA's general municipal advisor reviewed all proposals and scored the firms based on the evaluation criteria. The fifteen firms that ranked the highest are being recommended for inclusion in the underwriting pool.

Part of the review process included determining the preferred approach to structuring the Measure R refunding bonds, which, together with experience with related securities, weighed heavily in the selection of the firms recommended for the 2020 Measure R underwriting. These recommendations also reflect the LACMTA's Debt Policy of finding opportunities to contract with small, local and disadvantaged firms; given the large size of the transaction, this bond issue provides an opportunity to fulfill this policy goal. Two co-managers are minority owned firms. The other four members of the recommended underwriting team are large broker-dealers with strong marketing and distribution capabilities. A key factor in evaluating the firms' capabilities was the level of their participation in prior competitive bids for LACMTA bonds, their performance in such bids, and other areas of support.