Board Agenda Item 26

DATE: April 22, 2025

TO: Board of Supervisors

SUBMITTED BY: Daniel C. Cederborg, County Counsel

SUBJECT: Specialized Legal Services Agreement for Bond Counsel and Disclosure Counsel

RECOMMENDED ACTION(S):

1. **Under Administrative Policy No. 34, for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted to obtain the services of special legal counsel to assist the County, and that the best interests of the County would be served by entering into an agreement with Hawkins Delafield & Wood LLP; and**

2. **Approve and authorize the Chairman to execute an agreement with Hawkins Delafield & Wood LLP to act as bond counsel and disclosure counsel for special projects that may arise during FY 2025-26, effective July 1, 2025 through and including June 30, 2026, total not to exceed $75,000.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will engage Hawkins Delafield & Wood LLP ("Hawkins") as the County's bond counsel and disclosure counsel as needed for special projects that may arise during FY 2025-26. County Counsel would be able to authorize Hawkins to initiate work on special projects between July 1, 2025, and June 30, 2026. Because some special projects might arise toward the end of that period, bond counsel services may continue past June 30, 2026 for any work authorized through that date. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative to retaining bond counsel and disclosure counsel for these services because they must be provided by attorneys who have specialized expertise in federal income tax and federal securities laws. The County Counsel's office does not provide those specialized services.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

Under AP 34, competitive bidding is not required to engage specialized legal counsel. That is because the policy deems a contract to obtain the services of special legal counsel to assist the County a circumstance that constitutes a suspension of competition.

FISCAL IMPACT:

There is no additional Net County Cost associated with the recommended actions. Sufficient appropriations and estimated revenues will be included in the FY 2025-26 Org 2540 Interest and Miscellaneous Expenditures Recommended Budget request.

DISCUSSION:

The County ordinarily engages a law firm for bond counsel and disclosure counsel each year, for a limited annual term. The current agreement for FY 2024-25 was approved by the Board on March 5, 2024. County Counsel recommends that Hawkins serve as bond counsel and disclosure counsel to the County for special projects that arise during FY 2025-26. Generally, Diane Quan, Esq., of Hawkins' Los Angeles office would be the lead attorney for such special projects. Christina Togle, Esq., of Hawkins' Los Angeles office would also assist, and John Pirog, Esq., of Hawkins' Sacramento office would assist on matters requiring special expertise in federal tax issues.

Hawkins currently serves as bond counsel and disclosure counsel to the County for special projects. Hawkins has consistently provided responsive and effective services to the County on various projects for the last several years including:

- The County's FY 2021-22 tax and revenue anticipation notes (TRANs) issuance;
- Continuing administration of the use of tobacco securitization bond proceeds for various other facilities;
- Arbitrage rebate compliance services; and
- The County's annual continuing disclosure filing in the bond market to satisfy Securities and Exchange Commission reporting requirements.

Under the recommended agreement, County Counsel may consult with Hawkins as needed for special projects that arise in FY 2025-26. Hawkins would render specialized legal services at the hourly rates of $350 for associate attorneys and a range of $510 to $602 for partner attorneys, with a maximum compensation of $75,000. The recommended agreement would also cover bond counsel work resulting from other agencies' financing issues that impose burdens on the County. On those occasions, which are very rare, before engaging Hawkins, County Counsel would seek written commitment from those other agencies to reimburse the cost of such services.

If approved by your Board, the recommended agreement will take effect on July 1, 2025. Under the recommended agreement, County Counsel may authorize special projects between July 1, 2025, and June 30, 2026. Because some special projects might arise toward the end of that period, services may continue past June 30, 2026, for any work authorized through that date.

The recommended agreement does not cover any legal services that would be required if the County undertakes any new bond financings or refinancings. Those legal services would be covered by separate agreements, which the County Counsel would bring to your Board as needed.

REFERENCE MATERIAL:

BAI # 23, March 5, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition
On file with Clerk - Agreement with Hawkins

CAO ANALYST:

Amy Ryals