



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve the Creation of a Bond Underwriting Pool Comprised of 11 Bond Underwriting Firms for a Five-Year Term and Authorize the Chief Financial Officer to Select Bond Underwriting Syndicates from the Pool for Future Bond Financings; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. (Finance & Admin)

Submitted By: Julie Lam, Chief Financial Officer; Kristi McKenney, Executive Director

Parties Involved:

Amount: N/A

BofA Securities, Inc. (San Francisco, CA)

Siebert Williams Shank & Co., LLC
(Oakland, CA)

Morgan Stanley & Co. LLC (San
Francisco, CA)

Wells Fargo Bank, National Association
(San Francisco, CA)

J.P. Morgan Securities LLC (San
Francisco, CA)

RBC Capital Markets, LLC (San
Francisco, CA)

Barclays Capital Inc. (San Francisco, CA)

Jefferies LLC (Los Angeles, CA)

Goldman Sachs & Co. LLC (San
Francisco, CA)

Blaylock Van, LLC (Oakland, CA)

Bancroft Capital LLC (San Mateo, CA)

EXECUTIVE SUMMARY: This action authorizes the establishment of a Bond Underwriting Pool consisting of 11 qualified firms for a term of up to five years. The underwriting pool was developed through a competitive Request for Qualifications process and will provide the Port with a prequalified group of firms eligible to participate in future bond financings. Establishing the pool will enhance the Port's ability to respond efficiently to market opportunities, access specialized underwriting expertise, and streamline procurement activities while maintaining competition through transaction-specific solicitations among pool members. Inclusion in the pool does not guarantee participation in any financing transaction, and any future issuance of debt will require separate Board authorization.

BACKGROUND & ANALYSIS

The Port periodically accesses the debt capital markets to finance capital improvement projects, refinance existing debt, and support other authorized financing activities. The timing, structure, and size of future bond issuances are influenced by market conditions, interest rates, project schedules, and other factors that may require the Port to act within compressed timeframes to achieve favorable financing results.

Establishing a pool of qualified bond underwriting firms (Bond Underwriting Pool) for a five-year term will provide the Port with the flexibility necessary to respond efficiently to financing opportunities as they arise. By prequalifying underwriters through a competitive selection process, the Port will be able to assemble underwriting syndicates quickly when market conditions are advantageous, without the delays associated with conducting a separate Request for Proposals (RFP) process for each bond issuance.

The Bond Underwriting Pool approach offers several additional benefits:

- **Enhanced Market Responsiveness.** Interest rate environments and investor demand can change rapidly. A prequalified pool enables the Port to access the market promptly when favorable conditions exist, potentially reducing borrowing costs and improving financing outcomes.
- **Administrative Efficiency.** Conducting a full procurement process for every financing transaction requires significant staff time and resources. Establishing a pool streamlines future underwriting selections while maintaining appropriate oversight and accountability.
- **Access to Specialized Expertise.** Different bond transactions may require different underwriting capabilities, investor distribution networks, or sector expertise. A pool provides the Port with a diverse group of qualified firms from which to select the most appropriate team for each issuance.
- **Continuity and Institutional Knowledge.** Maintaining a pool over multiple years allows participating firms to develop familiarity with the Port's financial operations, capital program, and credit profile, contributing to more effective transaction execution and investor marketing.
- **Best Practices in Public Finance.** Many public issuers maintain underwriting pools or panels as a recognized best practice to balance competitive procurement requirements with the need for timely access to the capital markets.

Competitive Selection Process

On October 31, 2025, the Port issued requests for qualifications (RFQ) for Bond Underwriting Services to establish a pool of qualified underwriters for future bond issuances. Respondents were permitted to submit qualifications for either a Senior Manager role or a Co-Manager role.

Firms selected for the Senior Manager role are eligible for appointment as either Senior Manager, Co-Senior Manager or Co-Manager on future underwriting syndicates, depending on the specific requirements of a financing transaction. Firms applying solely for the Co-Manager role are eligible for appointment to serve only in a Co-Manager capacity.

On November 20, 2025, the Port received a total of 22 Statements of Qualifications, including 13 submissions for Senior Manager roles and 9 submissions for Co-Manager-only roles. An evaluation committee reviewed and scored each Statement of Qualifications in accordance with the criteria established in the RFQ. The evaluation criteria and corresponding weighing are summarized in Table 1.

Table 1
Evaluation Criteria and Weight

Criteria	Max Points
Firm Experience and Firm Personnel	20
Banking/Underwriting Services and Bond Underwriting Capacity	20
Marketing, Pricing, and Sales	15
Rating Agency Strategy	15
Financing/Structuring Strategy	15
Non-Discrimination and Small Local Business Utilization Policy	15
Total	100

Following the review of the Statement of Qualifications, the evaluation committee determined that 11 firms demonstrated the qualifications, experience, distribution capabilities, and resources necessary to support the Port's anticipated financing needs over the next five years. The recommended pool provides a balance of national and local, Oakland-based underwriting firms, and firms with significant and diverse public finance experience in the areas of airport, seaport, and electric utility financings.

Accordingly, the evaluation committee recommends the following firms, ranked from highest to lowest score within each syndicate role category, for inclusion in the Port's Bond Underwriting Pool.

Table 2
Bond Underwriting Pool Selection

Firm Name	Selected Role
BofA Securities, Inc.	Senior Manager
Siebert Williams Shank & Co., LLC	Senior Manager
Morgan Stanley & Co. LLC	Senior Manager
Wells Fargo Bank, National Association	Senior Manager
J.P. Morgan Securities LLC	Senior Manager
RBC Capital Markets, LLC	Senior Manager
Barclays Capital Inc.	Senior Manager
Jefferies LLC	Senior Manager
Goldman Sachs & Co. LLC	Senior Manager
Blaylock Van, LLC	Co-Manager
Bancroft Capital, LLC	Co-Manager

The following firms submitted Statement of Qualifications but were not selected for inclusion in the Bond Underwriting Pool: Raymond James, Samuel A. Ramirez, Loop Capital and Truist Securities for Senior Manager roles; and Oppenheimer, Fidelity Mischler, Stern Brothers, Academy Securities, Backstrom McCarley, and Alamo Capital for Co-Manager roles.

Inclusion in the Bond Underwriting Pool does not guarantee participation in any specific financing transaction. Prior to each bond issuance, the Port may issue a short-form transaction-specific request for proposals to firms within the Bond Underwriting Pool. Such requests may seek information regarding proposed underwriting compensation, financing and structuring recommendations, marketing and distribution plans, rating agency strategies, relevant experience, and other factors pertinent to the proposed financing. Responses will be evaluated based on the needs of the transaction, and the Port will select the underwriting syndicate that is determined to provide the greatest value and best support the Port's financing objectives.

Creation of the Bond Underwriting Pool for a term up to five years is consistent with the Port's Debt Policy (AP 514). The proposed action does not authorize the issuance of any debt. Any debt issuance must be authorized by the Board under separate Board action pursuant to the Port's Debt Policy.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

- Operating Non-Operating Capital

Analysis: Proposed Board action is administrative in nature and does not impact the Port's FY 2027 operating or capital budgets.

STAFFING

- No Anticipated Staffing Impact.

- Anticipated Change to Budgeted Headcount.

Reason:

- Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **Choose an item** Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The proposed action provides the Port with the flexibility to respond promptly to financial opportunities as they arise, increased administrative efficiency, and adoption of a best practice used in the public finance industry.</p>	<p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"><input type="checkbox"/> Capture Our Market and Grow the Economic Base<input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure<input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience<input checked="" type="checkbox"/> Maximize Land Use Value and Revenues<input type="checkbox"/> Workforce Training and Jobs Development<input checked="" type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development	