

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of September 13, 2011

ITEM # 17

ITEM TITLE: OPEB Bond and Disclosure Counsel Services – Stradling Yocca Carlson & Rauth

SPECIFIC BOARD ACTION REQUESTED:

Award bid and authorize the Chancellor to negotiate contract between the Peralta Community College District and Stradling Yocca Carlson & Rauth for Bond and Disclosure Counsel Services specific to the District's Other Post Employment Benefit program (OPEB).

ITEM SUMMARY:

As part of the District's continued progress to restructure the Other Post Employment Benefit (OPEB) program, the District issued Request for Qualifications (RFQ) number 10-11/33 seeking bond and disclosure counsel services. The RFQ was issued and released on May 27, 2011 and closed on July 7, 2011. The following 5 firms submitted qualifications in response: Orrick Herrington & Sutcliffe; Nixon Peabody; Greenberg Traurig; Stradling Yocca Carlson & Rauth; and Fulbright & Jaworski. The Retirement Board and Advisory Members interviewed all 5 firms. At the conclusion of the interviews the Retirement Board and Advisory Members recommended to the Chancellor retaining the firm of Stradling Yocca Carlson & Rauth to serve as bond and disclosure counsel for the District's OPEB program.

BACKGROUND/ANALYSIS:

At the March 29, 2011 Board of Trustees meeting the Board was presented with information describing the current condition of the OPEB program along with two recommendations that if approved would begin the restructuring of the OPEB program to address longer term financial solvency concerns. Those two recommendations were: Recommendation 1 – Restructure the near term (1-5 years) principal and interest payments on the bonds. The intent and purpose behind this recommendation is to provide near-term operating budget relief. Fiscal year 2011-12 budget relief is projected to be approximately \$2.5 million. Recommendation 2 – Terminate the B-1 SWAP agreement. This recommendation is echoed by the District's SWAP advisor. The rationale is that the current day to day market changes in interest rates will not significantly change the approximately \$3 million cost to terminate the agreement. The Board of Trustees approved both recommendations.

Working to implement the recommendations approved, the District and Retirement Board conducted a formal bid ultimately seeking to recommend to the Chancellor a bond and disclosure counsel for the program. The formal RFQ was advertised in local newspapers of general circulation as well as posted on the District's website in effort to solicit responses from as many qualified firms as possible. The following 5 firms submitted qualifications in response: Orrick, Herrington & Sutcliffe; Nixon Peabody; Greenberg Traurig; Stradling Yocca Carlson & Rauth; and Fulbright & Jaworski.

Based upon the written responses received, the Retirement Board extended interviews to all the responding firms. At the conclusion of the interviews the Retirement Board and Advisory Members recommended to the Chancellor retaining the firm of Stradling Yocca Carlson & Rauth to serve as bond and disclosure counsel for the District's OPEB program.

ALTERNATIVES/OPTIONS:

EVALUATION AND RECOMMENDED ACTION:

Award bid and authorize Chancellor to negotiate contract.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

OPEB Trust

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ No X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Vice Chancellor Gerhard.

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES _____ No X

_____ IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: 
Ronald P. Gerhard,
Vice Chancellor for Finance and Administration

Date: 9/6/11

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: 
Ronald P. Gerhard,
Vice Chancellor for Finance and Administration

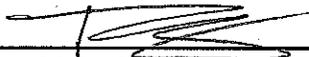
Date: 9/6/11

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: 
Ronald P. Gerhard,
Vice Chancellor for Finance and Administration

Date: 9/6/11

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy T. Nguyen, General Counsel

Date: _____

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda
Place on Agenda

Not Approved, but

Signature: 
Wise Allen, Chancellor

Date: 9/8/11