

**DATE: JUNE 9, 2026**

**FROM: DEBT & FINANCIAL ANALYSIS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF PERSONAL SERVICES AGREEMENTS TO FRASCA & ASSOCIATES, LLC; KNN PUBLIC FINANCE, LLC; AND MONTAGUE DEROSE AND ASSOCIATES LLC TO PROVIDE MUNICIPAL FINANCIAL ADVISORY SERVICES**

**SUMMARY:**

Staff requests approval of three personal services agreements (Agreements) with the following municipal financial advisory firms: (i) Frasca & Associates, LLC, (ii) KNN Public Finance, LLC, and (iii) Montague DeRose and Associates LLC. Each of the proposed Agreements would be for a three-year term with a total not-to-exceed amount of \$324,000 across the three Agreements. These firms are being recommended as a result of a competitive Request For Proposals (RFP) process.

The City of Los Angeles Harbor Department (Harbor Department) utilizes municipal financial advisors to support bond structuring and execution, evaluate financial opportunities, develop financial policies, monitor municipal market developments, implement best practices, and perform related financial advisory functions as needed. These firms will provide advisory services on an as-needed basis under directives from the Chief Financial Officer and/or the Director of Debt and Financial Analysis.

The Harbor Department will be financially responsible for payment of costs incurred under the proposed Agreements.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;

**SUBJECT: AWARD OF PERSONAL SERVICES AGREEMENTS TO PROVIDE MUNICIPAL FINANCIAL ADVISORY SERVICES**

2. Find that in accordance with the Los Angeles City Charter Section 1022, the services required are temporary and of a professional, expert, and technical nature, which can be performed more feasibly by an independent contractor;
3. Approve the Agreements at an aggregate not-to-exceed amount of \$324,000 including related expenses, for a three-year term, with Frasca & Associates, LLC; KNN Public Finance, LLC; and Montague DeRose and Associates LLC to provide municipal financial advisory services on an as-needed basis;
4. Authorize the Executive Director or designee to execute and the Board Secretary to attest to said Agreements for and on behalf of the Board; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background and Context – Los Angeles City Charter Section 609 authorizes the Board, with Council consent, to issue revenue bonds to finance Harbor Department projects. Due to the complexity of bond issuance and the associated market risks, the Harbor Department requires the independent expertise of external financial advisors, bond counsel, and underwriters.

Municipal financial advisors (MAs) are registered professionals with a fiduciary duty to their clients. They serve as independent third-party experts who assist municipal agencies with the selection of underwriters and trustees, as well as the issuance of bonds and commercial paper notes. MAs provide essential guidance on the pricing and structuring of financial products, refunding transactions, bond tenders and defeasance, investment of bond proceeds, and interpretation of current financial regulations. They also support the maintenance of rating agency relationships and ensure awareness of industry best practices.

According to the Government Finance Officers Association (GFOA), the use of municipal financial advisors is a critical component of prudent debt planning and management. GFOA best practices strongly recommend that government entities retain independent financial advisors when issuing debt.

Need for Municipal Financial Advisors – The primary objective of establishing and executing the personal services agreements is to provide the Harbor Department with comprehensive municipal advisory services. These services include evaluation, guidance, and recommendations related to financing needs, financial structures, market developments, and unbiased industry information.

**SUBJECT: AWARD OF PERSONAL SERVICES AGREEMENTS TO PROVIDE MUNICIPAL FINANCIAL ADVISORY SERVICES**

By retaining a pool of highly qualified firms, the Harbor Department seeks to ensure the availability of high-quality, efficient services that align with its ongoing and future financial requirements. The recommended firms offer the depth of expertise necessary to support the Harbor Department's debt-related activities. With the ongoing regulatory changes affecting the financial and credit markets, immediate access to experienced advisors is essential for informed financial decision-making.

Selection of a firm for any specific project will depend on the Harbor Department's immediate business needs, as well as the firm's expertise and demonstrated capabilities.

Scope of Services – The proposing firms will provide general municipal financial advisory services. These services will support the Harbor Department in the development and execution of debt financing strategies; provide timely advice on market conditions, financial structures, and legislative and policy matters; and assist with rating agency and investor relations.

RFP Process – The RFP for Municipal Financial Advisory Services was released on February 13, 2026 and posted on the Harbor Department's website ([www.portoflosangeles.org](http://www.portoflosangeles.org)) and on the City's Regional Alliance Marketplace for Procurement (RAMP), at [www.rampla.org](http://www.rampla.org). Per statistics on RAMP, the RFP was downloaded by 68 unique companies.

Four proposals were received and evaluated by the three-member selection committee comprised of two representatives from the Harbor Department's Debt and Financial Analysis Division and one representative from the Office of the City Administrative Officer's Debt Management Division. All three members of the selection committee independently reviewed and rated each proposal according to the criteria listed under Exhibit F in Transmittal 1. Composite scores are provided in Transmittal 2.

Staff recommends awarding agreements to the top three scoring firms: Frasca & Associates, LLC; KNN Public Finance, LLC; and Montague DeRose and Associates LLC (Transmittals 3 through 5). All three firms demonstrated extensive experience serving national ports, including previous work with the Harbor Department.

The proposed agreements establish a not-to-exceed aggregate amount of \$324,000 for a three-year term. Each agreement will include a 10-day cancellation clause at the discretion of the Board.

**SUBJECT: AWARD OF PERSONAL SERVICES AGREEMENTS TO PROVIDE MUNICIPAL FINANCIAL ADVISORY SERVICES**

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the personal services agreements with Frasca & Associates, LLC; KNN Public Finance, LLC; and Montague DeRose and Associates LLC to provide advisory services on as-needed basis, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Agreements will enable the Harbor Department to retain as-needed services of municipal advisory firms over a three-year period for an aggregate not-to-exceed amount of \$324,000 across the three Agreements. Spending under the proposed Agreements is anticipated to occur as follows:

<b>Fiscal Year</b>	<b>\$ Amount</b>
2026/27	\$ 101,500
2027/28	\$ 111,250
2028/29	\$ 111,250
<b>Total</b>	<b>\$ 324,000</b>

Fiscal Year 2026/27 funding in the amount of \$101,500 has been budgeted within Account 544005 (Finance & Accounting Consulting Services), Division 62010 (Debt and Financial Analysis). Funding for future years will be requested as part of the annual budget adoption process upon Board approval. A funding out clause is included in the proposed Agreements.

Municipal advisory expenses incurred during a debt issuance are paid from bond proceeds and are included in the cost of borrowing. Under government accounting standards, those borrowing costs would then be incurred as non-operating (rather than operating) expenses.

DATE: JUNE 9, 2026

PAGE 5 OF 5

SUBJECT: AWARD OF PERSONAL SERVICES AGREEMENTS TO PROVIDE MUNICIPAL FINANCIAL ADVISORY SERVICES

**CITY ATTORNEY:**

The Office of the City Attorney has prepared and approved the proposed Agreements as to form and legality.

**TRANSMITTALS:**

1. RFP Selection Evaluation Form
2. Composite Score Results
3. Professional Services Agreement with Frasca & Associates, LLC
4. Professional Services Agreement with KNN Public Finance, LLC
5. Professional Services Agreement with Montague DeRose and Associates LLC

FIS Approval: JS  
CA Approval: SO

*Matthew Marchese*

MATTHEW MARCHESE  
Director, Debt & Financial Analysis

*Jeffrey Strafford*

JEFFREY STRAFORD  
Chief Financial Officer

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

DT23008FY23