



**Contra  
Costa  
County**

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: June 18, 2019

Subject: Extension of Arbitrage Rebate Compliance Services Contract

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**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract amendment with BLX Group, LLC, extending the term of the contract through June 30, 2021 with no change to the contract limit of \$100,000 for arbitrage rebate compliance services.

**FISCAL IMPACT:**

Fees associated with rebate liability analysis are charged out proportionately to various County departments based on their share of the funds from a particular bond issue.

**BACKGROUND:**

Arbitrage rebate calculation agent services are required to calculate rebate liability on various County bond issues. Under federal tax law, this liability is determined for each County tax-exempt bond issue based on the amount of interest earnings that have accrued on bond proceeds over time. While the County is allowed to keep interest earnings up to the rate of return of the initial bond offering, any earnings above this bond rate must be rebated to the federal government at least every five years.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **06/18/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 18, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Laura Cassell, Deputy

Contact: Timothy Ewell, (925)  
335-1036

cc:

On

BACKGROUND: (CONT'D)

April 4, 2016, the County issued a Request for Proposals (RFP) for arbitrage rebate compliance services. The RFP contemplated a three-year contract cycle with an option to extend for an additional two-years. After review by the committee and firm interviews, BLX Group, LLC was selected. Having served the County in the capacity of arbitrage rebate consultant since 1989, BLX Group, LLC is familiar with the County's unique debt profile and the services that are required.

On June 21, 2016, the Board of Supervisors approved a three-year contract with BLX Group, LLC with a term expiration of June 30, 2019. Today's action would extend the contract with BLX Group, LLC through June 30, 2021. The contractor has been meeting the expectations of the County in performing services under the current contract.

CONSEQUENCE OF NEGATIVE ACTION:

The County would not have the expertise to calculate rebate liability on County bond issues.

CHILDREN'S IMPACT STATEMENT:

No impact.