

Form 56 Instructions

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INTRODUCTION

Persons who seek selection as underwriting firms in noncompetitive sales of revenue bonds for the Los Angeles Department of Water and Power (DWP), Los Angeles World Airports (Airports), or the Port of Los Angeles (Harbor) are subject to gift restrictions and are limited in their ability to financially participate in City elections. They must certify that they have not exceeded specified gift or contribution limits during the 12 months prior to seeking selection as an underwriting firm. They are required to disclose their identities and the identities of their subcontractors and principals, and they and their subcontractors and principals are prohibited from making campaign contributions to and engaging in prohibited fundraising activity for City candidates and officeholders. Form 56 must be used for those purposes, and these instructions provide information about how to complete the form.

CONTACT INFORMATION

All questions about Form 56 and the laws regarding bidders and contractors should be directed to the Los Angeles City Ethics Commission:

ethics.commission@lacity.org

(213) 978-1960 phone

(213) 978-1988 fax

Whistleblower Hotline: (800) 824-4825

200 North Spring Street
City Hall 24th Floor, Suite 2410
Los Angeles CA 90012

ethics.lacity.org

UNDERWRITER RESPONSIBILITIES

You are an underwriter required to complete Form 56 when both of the following apply:

- You seek selection as an underwriting firm in a **noncompetitive sale of revenue bonds**; and
- The City department making the selection is **Airports, DWP, or Harbor**.

Form 56 must be completed when a proprietary City department (Airports, DWP, or Harbor) seeks to enter into an agreement with an underwriter for a sale of revenue bonds and the selection of the underwriter is made on a basis other than competitive bidding (*i.e.*, an agreement for a noncompetitive sale of revenue bonds). Form 56 is also required if an underwriter is responding to a City solicitation to be included on a pre-qualified list of underwriters for noncompetitive sales of revenue bonds for Airports, DWP, or Harbor.

Form 56 is used to disclose information about the following individuals and entities:

- You (the underwriter);
- Your principals;
- Your subcontractors with subcontracts valued at \$100,000 or more; and
- The principals of those subcontractors.

The gift and campaign finance restrictions and requirements in [Los Angeles City Charter](#) § 609(e) and [Los Angeles Municipal Code](#) § 49.7.36 apply to all of those individuals and entities. They are subject to those laws because of the positions they hold in relation to a City bid, not because they are disclosed on your Form 56. See section G for more information.

You are required to do all of the following:

1. **Submit** a completed Form 56 with your bid or proposal documents to the City department awarding the contract.
2. **Amend** your Form 56 within 10 business days if the information in the form changes after you submit it with your bid.
3. **Notify** your principals and subcontractors of the campaign finance restrictions and requirements that apply to them.

PAGE 1: COVER PAGE AND UNDERWRITER INFORMATION

You must complete all sections on the cover page.

A. ORIGINAL OR AMENDED FILING

ORIGINAL FILING

Check this box if this is the first time you are submitting a Form 56 in connection with the noncompetitive sale of revenue bonds that you currently seek or have been awarded.

AMENDMENT

Check this box if you are making changes to a Form 56 that was previously submitted in connection with the same noncompetitive sale of revenue bonds that you are seeking or have been awarded. For an amended filing, you must provide the later of:

- The date that your original Form 56 submission was signed; or
- The date that your most recent amendment was signed.

Example 1: You submitted a Form 56 last month when responding to a solicitation by the Port of Los Angeles for a noncompetitive sale of revenue bonds. You are now responding to a solicitation from Los Angeles World Airports ("Airports") for a different noncompetitive sale. Check the Original Filing box on this Form 56, because this is the first time you are submitting the Form 56 in connection with the contract with Airports.

Example 2: You submitted a Form 56 last week when responding to an RFQ from the Department of Water and Power (DWP) for selection to a pre-qualified list of underwriting firms for the noncompetitive sale of revenue bonds. Your response to the RFQ is still pending with DWP. This week, your firm moved its offices to a new location. You are required to update your contact information by filing a new Form 56 and checking the Amendment box, because you are submitting an updated version of the Form 56 that was submitted in connection with the same RFQ with DWP.

B. REFERENCE NUMBER

If applicable, provide the bid number, contract number, RAMP ID, or other identifying number or code assigned to the bid or contract that you seek. You can usually find this number on the City solicitation package (e.g., the RFP or RFQ documents). However, not all solicitations have a reference number.

If there is no reference number for the bid or contract, enter "N/A" in this box.

C. DATE BID SUBMITTED

Enter the date that you submit your bid or response documents to the City department that will be making the selection.

D. CONTRACT DESCRIPTION

Provide the following information in this section:

- Title of the RFP or RFQ, as listed on the City solicitation documents; and
- Description of the contract.

A brief description of the contract is usually given in the RFP, RFQ, or solicitation documents. If you cannot find one, describe what will be performed under the contract.

E. AWARDING AUTHORITY

Provide the name of the City department that will be selecting one or more underwriting firms.

F. UNDERWRITER INFORMATION

Provide all of the following information:

- Underwriter's full legal name;
- Underwriter's business address;
- Underwriter's phone number; and
- Underwriter's email address.

The email address and telephone number provided in this section will be used to contact you if there are questions about the information provided in your Form 56.

Remember to amend your Form 56 to keep this information current.

G. SCHEDULE SUMMARY

ITEM 1: UNDERWRITING FIRM'S PRINCIPALS

Indicate whether you have one or more principals. Check only one box ("Yes" or "No").

A **principal** is any of the following:

- Underwriter's parent, subsidiary, or other related business entity;
- A political action committee controlled or primarily financed by the underwriter or by a business entity related to the underwriter as a parent, subsidiary, or other related business entity;
- Underwriter's President, Board Chair, Chief Executive Officer, or Chief Operating Officer;
- A Vice President, Assistant Vice President, or Managing Director employed in the public finance unit of the underwriter;
- An individual who communicates with one or more City officers or employees to influence the City's selection of an underwriter for a particular bond issue; and
- A person who holds an ownership interest of at least 20% in the underwriter.

Example 1: You are putting together a proposal in response to a solicitation from DWP on behalf of your employer, Underwriting Professionals, Inc. and must complete a Form 56. Because Underwriting Professionals, Inc. is an entity, you must check the "Yes" box and disclose Underwriting Professionals, Inc.'s principals on attached Schedule A pages.

All underwriters who are entities are required to complete Schedule A. Most underwriters are entities, so most underwriters must check the "Yes" box and attach Schedule A pages to the cover page.

Attach to the cover page as many Schedule A pages as necessary to identify all of your principals.

ITEM 2: SUBCONTRACTORS AND THEIR PRINCIPALS

Indicate whether you have one or more subcontractors with subcontracts valued at \$100,000 or more on the City contract you seek. Check only one box ("Yes" or "No").

Example 1: *You are submitting a response to a solicitation from the Port of Los Angeles and must submit a Form 56. For the proposed sale of revenue bonds, you expect to have a subcontract with Banking Company worth \$500,000, and Investments Corporation as another subcontractor that will provide \$25,000 worth of services. Check the "Yes" box and attach Schedule B pages to disclose Banking Company and its principals.*

Example 2: *You are submitting a response to an RFQ with Airports and must submit a Form 56. For the proposed bond sale, you expect to subcontract with Bankers, Inc., which will perform \$75,000 worth of consulting services, and with Investors Plus Company, which will perform \$50,000 worth of accounting services. You do not anticipate having any other subcontractors. Check the "No" box, indicating that you do not have subcontractors with subcontracts valued at \$100,000 or more.*

Attach to the cover page as many Schedule B pages as necessary to identify all of your subcontractors and their principals.

ITEM 3: TOTAL NUMBER OF PAGES SUBMITTED

Enter the total number of Form 56 pages that you are submitting, including the cover page and all attached Schedule A and B pages.

H. CERTIFICATION

Form 56 must be signed by an authorized representative of the underwriter. By signing this section, you are certifying under penalty of perjury all of the following:

- In the past 12 months, neither you nor your principals have made one or more gifts totaling \$50 or more, or one or more political contributions totaling \$100 or more, to any of the following:
 - An elected City official;
 - A member of the board of the department whose bonds are the subject of the sale; or
 - A City official with the authority to make or participate in making decisions concerning the sale of the bonds.
- You understand and will comply with the requirements and restrictions under [Los Angeles City Charter](#) § 609(e) and [Los Angeles Municipal Code](#) § 49.7.36;
- You have notified your principals and subcontractors of the requirements and restrictions; and
- The information you provided in the Form 56 and all attached pages is true and complete to the best of your knowledge and belief.

PAGE 2: SCHEDULE A – UNDERWRITING FIRM'S PRINCIPALS

You must complete this section to if you have principals. If you are an entity, this section is required. You must disclose the name, title, and business address of each principal. For a definition of "principal", see the instructions for Page 1, Section G.

If you need more space, mark the box indicating that you are attaching additional Schedule A pages. You may attach as many additional Schedule A pages as necessary to disclose all of your principals.

Remember to include all Schedule A pages in the total page count on your cover page and attach them to the cover page.

PAGE 3: SCHEDULE B – SUBCONTRACTORS AND THEIR PRINCIPALS

You must complete this section if you will have subcontractors with subcontracts worth \$100,000 or more. You must disclose the names and business addresses of those subcontractors and the names, titles, and business addresses of their principals. **“Principal” is defined differently for your subcontractors than it is for you as the bidding underwriter.**

A **principal of a subcontractor** includes any of the following:

- The subcontracting firm or individual;
- Subcontractor’s Board Chair;
- Subcontractor’s President;
- Subcontractor’s Chief Executive Officer;
- Subcontractor’s Chief Operating Officer;
- An individual who serves in the functional equivalent of any of the above positions;
- An individual who holds an ownership interest in the subcontractor of 20% or more; and
- An individual who communicates with one or more City officers or employees for the purpose of influencing the City’s selection of an underwriter for a particular bond issue.

You must submit at least one Schedule B page for each subcontractor. Provide the name and business address of the subcontractor, and then mark the appropriate box to indicate whether the subcontractor has principals.

If a subcontractor has more principals than will fit on one page—or if you have multiple subcontractors to disclose—mark the box indicating that you are attaching additional Schedule B pages. You may attach as many additional Schedule B pages as necessary to disclose all of your subcontractors with subcontracts worth \$100,000 or more and all of their principals.

Remember to include all Schedule B pages in the total page count on your cover page and attach them to the cover page.