

BEFORE THE COUNCIL INTERNAL AFFAIRS COMMITTEE OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPOINTING	)	RESOLUTION NO. 88-1004
FIRST INTERSTATE BANK AS	)	
METRO'S PROVIDER OF BANKING	)	Introduced by Rena Cusma,
SERVICES	)	Executive Officer

WHEREAS, the Department of Finance & Administration requested proposals, in accordance with all applicable requirements, from financial institutions to provide banking services; and

WHEREAS, Proposals were received from three financial institutions well qualified to perform the required services; and

WHEREAS, The proposals received were substantially equal; and

WHEREAS, Metro is highly satisfied with the performance of the current provider of banking services, First Interstate Bank; now, therefore,

BE IT RESOLVED,

1. That the Council Internal Affairs Committee of the Metropolitan Service District authorizes the District to enter into a contract with First Interstate Bank to provide banking services.

2. That the contract so authorized be in effect for a period of three (3) years from the effective date of the contract.

ADOPTED by the Council Internal Affairs Committee of the  
Metropolitan Service District this 27th day of October,  
1988.

Mike Ragsdale  
Mike Ragsdale, Presiding Officer

AGREEMENT

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1988, by and between the METROPOLITAN SERVICE DISTRICT, a political subdivision of the State of Oregon, hereinafter referred to as "METRO" and \_\_\_\_\_, hereinafter referred to as "BANK."

I. THE BANK AGREES:

A. Services to be Performed

To perform or cause to be performed, not as an agent of METRO, the services described in the Specifications and Request for Proposal, Attachment A, and the Proposal of the BANK, Attachment B, both attached hereto and by this reference expressly incorporated herein. Said services shall be performed in a competent manner with the same degree of care, skill, dilligence, competency, and knowledge which is ordinarily exhibited and possessed by financial institutions in good standing in the same or similar field and community as BANK.

B. Hold Harmless

BANK agrees to indemnify and hold harmless METRO, its officers, employees, agents, and representatives from and against all claims, demands, penalties, and causes of action of any kind or character, including the cost of defense thereof, including attorney fees, arising in favor of any person on account of personal injury, death, or damage to property arising out of services performed or omission of services or in any way resulting from the acts or omissions of the BANK and/or its agents, employees, subcontractors, or representatives.

II. METRO AGREES:

Payments to BANK

To pay BANK for services performed pursuant to this Agreement according to the amounts specified in Attachment C attached hereto and by this reference incorporated herein.

III. BOTH PARTIES AGREE:

A. Compensating Balances

That except where specifically stated in Attachment C (i.e., the following services: \_\_\_\_\_), payment to BANK may be offset by compensating balances. Collected checking account balances (less deductions for Federal Reserve requirement actually experienced by BANK) will "earn interest" at the average 90-day Treasury Bill rate for the month to arrive at total monthly account earnings. Total monthly account earnings will be combined for a 12-month period commencing on the effective date of the contract and for the 12-month periods commencing on each successive anniversary date. If the cumulative charges described in II A. during any of these 12-month periods exceed the total monthly account earnings for the same period, the excess will be payable by METRO. If earnings exceed charges for any of the 12-month periods, charges shall be deemed paid, but BANK shall not be required to make any refund or carry forward any credit into the next period.

BANK shall provide on a monthly basis a statement of monthly balances, earnings, charges and the monthly difference between earnings and charges.

B. Term of Agreement

That this Agreement shall commence \_\_\_\_\_, 1988, and shall continue in effect until \_\_\_\_\_, 1991, unless sooner terminated in accordance with the relevant provisions herein.

C. Fee Schedule Adjustment

That, thirty (30) days prior to each anniversary date, BANK may propose in writing a new fee schedule to take effect upon the anniversary date. No fee may be changed without the written agreement of METRO. Where the parties cannot agree to a new fee schedule, the Agreement may be terminated on sixty (60) days written notice by either party.

D. Termination

METRO may terminate without cause upon thirty (30) days written notice.

E. Amendments or Modifications

That this Agreement may be amended or modified only by written agreement of both parties.

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be executed by these officers, thereunto duly authorized.

DATED at Portland, Oregon this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

\_\_\_\_\_  
BANK

METROPOLITAN SERVICE DISTRICT

\_\_\_\_\_  
Name

\_\_\_\_\_  
Director of Finance & Administration

DRC/sm  
2189C/400

CONSIDERATION OF APPROVAL OF A THREE-YEAR CONTRACT TO  
PROVIDE BANKING SERVICES

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Date: October 4, 1988

Presented by: Ray Phelps

FACTUAL BACKGROUND AND ANALYSIS

Metropolitan Service District Code, Section 2.04.054, requires that Personal Services Agreements not exceed three years in length. Our three-year agreement with First Interstate Bank, Metro's present provider of banking services, has expired. Metro's banking services requirements include commercial checking account, automated balance reporting, account reconciliation, wire transfers and night deposit.

The Process

On July 28, 1988, Metro mailed requests for proposals to seven financial institutions. Included in this list was American State Bank, the only institution identified on ODOT's list of eligible DBE/WBE firms.

Jennifer Sims (Financial Services Manager), Donald Cox (Chief Accountant), and Estelle O'Connor (Senior Accountant) made up the evaluation team.

Proposals were evaluated on the following criteria:

1. Cost of services
2. The number of services the bank can provide that are requested in the proposal
3. The institution's ability to meet the requirements of the service requested.
4. References provided.

The Results

Two firms, Benj. Franklin Savings and Loan and Oregon Bank, declined in writing to propose. American State Bank and Bank of California did not respond. Three proposals were received by the September 9, 1988 deadline -- First Interstate Bank of Oregon, Key

Bank of Oregon, and United States National Bank of Oregon. The evaluation team recommends First Interstate Bank of Oregon to provide Metro's banking services.

#### Basis for Conclusion

The team evaluated the three financial institutions on the above criteria. The three institutions were substantially equal in all areas. First Interstate Bank of Oregon has provided Metro's financial services for the last three years and we are very satisfied with their services and product. First Interstate Bank of Oregon currently serves as Metro's trustee on the Convention Center bonds - having them also serve as provider of banking services creates efficiencies for the bank and Metro (eg wire transfers). Maintaining First Interstate Bank of Oregon as Metro's banking services provider at this time saves Metro administrative costs of an estimated \$3,900 (new procedures, new contacts, computer programming, training, transferring records, cost of forms replaced, and zoo and gatehouse procedure changes). Based on our past satisfaction with First Interstate Bank of Oregon and the minor differences in the banking services proposals, the recommendation is made to appoint First Interstate Bank of Oregon as the provider of our banking services, for the three year period December 16, 1988 through December 15, 1991. Average annual costs for banking services are estimated at \$11,000 for a 3 year total of \$33,000.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 88-1004 appointing First Interstate Bank of Oregon as Metro's provider of banking services.