

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING A) RESOLUTION NO. 89-1157
REQUEST FOR PROPOSALS DOCUMENT)
FOR TRUSTEE SERVICES FOR THE) Introduced by
METROPOLITAN SERVICE DISTRICT) Rena Cusma, Executive Officer


WHEREAS, Section 2.04.033(b) of the Metro Code requires the
Council must approve the proposal document for certain proposals;
and

WHEREAS, The proposal for trustee services requires Council
approval; now therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District
approved the Request for Proposals for trustee services for the
Metropolitan Service District, attached hereto as Exhibit A, and
authorizes that it be released for response by proposers.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of October, 1989.



Mike Ragsdale, Presiding Officer

RFF/srs

EXHIBIT A

REQUEST FOR PROPOSAL

FOR METROPOLITAN SERVICE DISTRICT

I. INTRODUCTION

The Finance Department of the Metropolitan Service District (Metro) is requesting proposals for trustee services. Proposals will be due on _____, 1989, in Metro's business offices at 2000 S.W. First Avenue. Details concerning the project and proposal are contained in this document.

II. BACKGROUND/OVERVIEW

The Metropolitan Service District is an elected regional government serving the urban areas of Clackamas, Multnomah and Washington counties in Oregon. Metro is presently establishing a revenue bond program to serve the future capital needs of its solid waste disposal services. This bond program will be set forth in a Master Ordinance which will allow for future issues of bonds for "System" additions and improvements, as well as individual "Project" financings.

System financings will include any project within Metro's system which are secured by fees, rates or charges generated by system operation. Metro will be the owner and security for "System" projects. The first System financing is anticipated to be a \$20 - \$22 million fixed-rate, 20 to 30 year issue for the Metro East Station, expected to be sold in early December 1989.

Individual "Project" financings may occur from time to time, where Metro will act on behalf of a private entity in order to raise capital for solid waste projects which benefit the system. Such Project Bonds will be secured by contract revenues under a loan agreement with a private developer/owner. The first Project Bonds, expected to be issued in early November 1989, will be approximately \$23 - 24 million in variable rate tender bonds, with a 20-year final maturity. Proceeds will be used by Riedel Environmental Technologies, Inc. to construct and operate a composting facility in northeast Portland, Oregon. Credit Suisse is providing a letter of credit for this project.

III. PROPOSED SCOPE OF WORK

Metro is seeking proposals from qualified firms/institutions to perform the following services and to submit information for two separate roles as described below:

"Master Trustee": Will serve as trustee for first System Bond financing and any subsequent System financings.

"1989 Compost Project Trustee": Will serve as trustee for the 1989 Compost Project Bonds only.

Proposers may respond for either or both positions.

For purposes of this proposal the trustee shall also be expected to serve as paying agent and registrar for the respective bond issues. In addition, the Trustee may be asked to serve as tender agent for the 1989 Compost Project Bonds if in an interest rate mode other than weekly. However, it is expected that both initial issues will be book-entry through the Depository Trust Corporation (DTC).

IV. PROPOSAL CONTENTS

- A. Please describe your trust operations within the state of Oregon and describe how you would provide services to Metro (limit 1 page).
- B. List no more than twenty (20) financings for which your firm serves as trustee. Include sale date, par, issuer, issue type, and variable or fixed rate debt. Please indicate which of these issues are for Oregon clients (limit 1 page).
- C. For each trustee position for which you are responding, please provide the following information:
 1. Initial Fee - Please indicate the total upfront fee (including legal fees and expenses) stated as a flat dollar amount.
 2. Annual Administration Fee - Please indicate the annual administrative fee in basis points based on the outstanding principal balance plus any annual minimum dollar amount.
 3. Paying Agent Charges - Please indicate the per transaction charge for each of the following:
 - a. Payments of Issuance Costs;
 - b. Draws from the Construction fund;
 - c. Payment of Principal;
 - d. Payment of Interest;
 - e. Wire Transfers;
 4. Tender Agent Charges - Please indicate separate charges, if any, if asked to serve as tender agent for the 1989 Compost Project. Include any charges for transfer of bonds.

5. Investment Transaction - Please indicate the per transaction minimum, as well as any annual minimum charge.
 6. Out of Pocket Expenses - Please indicate which expenses you expect to incur and an estimate of dollar amounts.
- D. Because of the potential ongoing nature of Metro's capital needs, the Master Trustee may serve for future issues as well. Please comment on how this may affect your fee proposal for this role. Also discuss your abilities and cost to provide paying agent or tender agent service in New York.

V. QUALIFICATIONS

The trustee, its parent, or its holding company shall have at least \$50,000,000 in capital stock and surplus.

VI. EVALUATION OF PROPOSALS

Proposals will be evaluated based on four criteria: Cost, Quality of Service, Convenience, and Experience. These criteria may be weighed differently for the two separate roles because the nature of the relationship is different for the Master Trustee vis-a-vis the 1989 Compost Project Trustee. It is possible that two Trustees may be hired for the two separate roles.

Metro reserves the right to reject all or any proposals not providing the information requested in a manner consistent with this RFP. Further, Metro may seek additional information as may be needed.

VII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. RFP as Basis for Proposals -- This RFP represents the most definitive statement Metro will make concerning information upon which proposals are to be based. Any verbal information which is not contained in this RFP will not be considered by Metro in evaluating the proposals. All questions relating to the RFP, or the project must be submitted in writing to _____. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after _____.
- B. Limitation and Award -- This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation

of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.

- C. Billing Procedures -- Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. A monthly billing, accompanied by a progress report, will be prepared for review and approval.
- D. Validity Period and Authority -- The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

VIII. PROPOSAL SUBMISSIONS

All proposals should be received by 3:00 p.m. PDT,
_____, 1989. Proposals should be submitted to:

Four Copies:

Mr. Raymond A. Phelps, Jr.
Director of Finance and Administration
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

RFF/srs

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 89-1157 FOR THE
PURPOSE OF APPROVING A REQUEST FOR PROPOSALS DOCUMENT
FOR TRUSTEE SERVICES FOR THE METROPOLITAN SERVICE
DISTRICT

DATE: September 29, 1989

Presented by: Ray Phelps

PROPOSED ACTION

To approve the issuance of a Request for Proposal for trustee services for the Metropolitan Service District.

FACTUAL BACKGROUND AND ANALYSIS

Metro is presently establishing a revenue bond program to serve the future capital needs of its solid waste disposal services. This bond program will be set forth in a Master Ordinance which will allow for future issues of bonds "System" additions and improvements, as well as individual "Project" financings.

System financings will include any projects within Metro's system which are secured by fees, rates or charges generated by system operation. Metro will be owner and security for "System" projects.

Individual "Project" financings may occur from time to time, where Metro will act on behalf of a private entity in order to raise capital for solid waste projects which benefit the system. Such Project Bonds will be secured by contract revenues under loan agreement with a private developer/owner.

Qualified institutions/firms are needed to act as trustee for both System bond financings as well as individual project financings. Trustee services that are needed in both cases are that of general trust services as well as paying agent and registration services. In addition, the Trustee may be asked to serve as tender agents.

Fees charged by the Trustee will vary depending upon the size of the bond issue, services requested by Metro such as issuance and paying agent fees, duration of the services requested and the actual types of bonds that are issued.

Trustee fees will be paid from bond proceeds and will not affect the general budget.

Proposals submitted will be evaluated based on four criteria: Cost, Quality of Service, Convenience and Experience. These criteria may be weighed differently for the two separate roles because the nature of

the relationship is different due to the financings for the system and individual projects.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 89-1157.

RFF/srs

FINANCE COMMITTEE REPORT

RESOLUTION NO. 89-1157, APPROVING A REQUEST FOR PROPOSALS
DOCUMENT FOR TRUSTEE SERVICES FOR THE METROPOLITAN SERVICE
DISTRICT

Date: October 12, 1989

Presented by: Councilor Collier

COMMITTEE RECOMMENDATION: At the October 5, 1989 Finance Committee meeting, all members were present and voted unanimously to recommend Council adoption of Resolution No. 89-1157.

COMMITTEE DISCUSSION/ISSUES: Jennifer Sims, Financial Services Manager, presented the resolution to approve the RFP documents for a three-year contract for solid waste bond trustee services. The trustee -- a qualified institution/firm -- provides Metro an agent to manage the bonds, disburse bondholder payments, handle reporting requirements and oversee tax services. Staff emphasized the trustee is very important to bondholders to ensure Metro's bonds maintain their tax-exempt status. The two anticipated Solid Waste bond issuances will total approximately \$45 million, making the sale too large for Metro to handle in-house. It is anticipated approximately \$22 million will be issued for the compost facility and \$23 million for the transfer station.

Responding to Committee concerns, staff noted approval of this resolution in no way gives authority to issue the bonds; issuance will require separate Council actions. A "master ordinance" providing generally for all bond issuances will come to the Council in the near future. A broad estimate of fees which the trustee could earn was \$25,000 per year, with the fees paid from bond proceeds. There is no direct cost to Metro's budget. It was pointed out the RFP evaluation criteria are vague, but staff noted the criteria will be more detailed with the issuance of the RFP.

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