COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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June 22, 2011

IN REPLY PLEASE REFER TO FILE: EP-4

To Whom It May Concern

REQUEST FOR EXPRESSION OF INTEREST: PROVISION OF FINANCIAL SERVICES FOR CONVERSION TECHNOLOGY PROJECTS

On behalf of Public Works, I would like to invite your company to participate in this Request for Expressions of Interest (RFEI).

The County is interested in obtaining information from financial firms who are interested in exploring partnership opportunities with conversion technology development teams comprised of both public and private entities This solicitation is for purposes of obtaining information only, and is not a request for proposals for services

If you have any questions regarding this request, please contact Mr David Mackenzie of Alternative Resources, Inc., or Mr Coby Skye of this office at their respective contact information listed in the RFEI

Very truly yours,

GAIL FARBER
Director of Public Works

PAT PROANO
Assistant Deputy Director
Environmental Programs Division

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County of Los Angeles
Department of Public Works

Solid Waste Conversion Technology Program

Request for Expressions of Interest:
Financial Services

Issuance: June 22, 2011
Submission Deadline: July 28, 2011

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1.0 INTRODUCTION

The County of Los Angeles (the County) sends this Request for Expression of Interest (RFEI) to financial services firms active in California seeking information on their experience, qualifications, and resources with respect to financial advisory services to public and private project developers and/or investment banking and similar transaction structuring, underwriting, and placement services. Based upon responses to this solicitation, a report and data base of firms that have expressed interest and that meet certain minimum requirements will be published. The data base will be used by the County and/or will be made available to public and private project developers participating in the Phase IV process (described below). This solicitation is for purposes of obtaining information only, and is not a request for proposals for services.

The County is being assisted by a multi-party technical, financial and public outreach consulting team led by Alternative Resources, Inc. (ARI). ARI has worked with the County to develop this RFEI and will be assembling the information using responses received. Those firms that respond to this RFEI will be described and included in the report and data base that result from this RFEI process. The report and data base will be publicly available throughout the County.

2.0 BACKGROUND

For over a decade, the County has been evaluating the development of conversion technology facilities as alternatives to the continued landfilling of solid waste by municipalities and communities in the County. In addition to providing an alternative method of solid waste disposal, the development of such facilities will produce sources of renewable energy (whether as electric power or gaseous or liquid fuels) and create local green-collar jobs. To date, the County's program has included a transparent four-phase process:

Phase I: An initial screening, ranking, and evaluation of conversion technologies and technology suppliers, along with efforts to identify material recovery facilities (MRFs) and transfer stations (TSs) in Southern California that could potentially host conversion technology demonstration facilities. The Phase I report, which was issued in September 2005, identified a preliminary short list of technology suppliers and sites, along with a framework for development of a conversion technology demonstration project at one or more sites.

Phase II: A detailed evaluation of the technologies identified under Phase I, and an evaluation of candidate MRF and TS sites to determine suitability for the integration, installation and operation of the technologies. A report of findings was published in October 2007. This effort led to the solicitation of offers from several conversion technology facility developers for small-scale privately-owned facilities. In April 2010, the County executed Memoranda of Understanding with three such developers for the development of three conversion technology demonstration facilities, representing thermal gasification and anaerobic digestion technologies.

Phase III: Now underway, Phase III includes the development of the demonstration projects resulting from the Phase II solicitation process. It is anticipated that this Phase will result in the

development of up to three projects ranging in size from 150 tons per day (tpd) to 360 tpd, with the potential for expanding up to 1,000 tpd. Each project represents a different solid waste conversion technology, including thermal gasification and anaerobic digestion systems. These facilities will be privately financed, owned, and operated.

Phase IV: Underway in parallel with Phase lll, Phase lV includes the planning of commercial conversion technology facilities (of similar or larger size than the Phase III demonstration projects). This process includes:

- The identification and evaluation of several specific sites in the County. Preliminary information has already been compiled on 16 sites within Los Angeles County, submitted by 11 stakeholders (i.e., cities, solid waste companies, and industrial real estate developers) for consideration for hosting a conversion technology project. These sites were described in a Preliminary Siting Assessment submitted to the County Board of Supervisors in October 2010. In April 2011, Public Works submitted a second report to the Board identifying seven additional potential sites.

- Working with individual municipalities to determine their level of interest in being the host communities and/or sponsors of conversion technology facilities.

- Working with the potential host municipalities to assess community needs and assist with the development of business plans for project development.

- Developing data bases and other information that will aid the County, municipal project sponsors, and private project developers in implementing projects. Two of the data bases will be: (a) detailed information on the conversion technologies (and their suppliers and developers) that are available in the U.S. market; (b) information on financial services firms that are in the business of assisting in the structuring and financing of conversion technology projects. This RFEI addresses the financial services component of data base preparation.

The Preliminary Siting Assessment and other information related to the County's evaluation and development of conversion technology facilities is available on the County's conversion technology website (www.socalconversion.org).

3.0 REQUEST FOR EXPRESSIONS OF INTEREST – FINANCIAL SERVICES

The County is requesting information on the qualifications, experience and resources of financial service providers, including information regarding:

1. revenue-based infrastructure projects
2. public and private financings

3. solid waste projects (e.g., material recycling facilities, compost facilities, conversion technology facilities, waste to energy facilities, landfills), including those for municipal solid waste and other related feedstocks
4. renewable energy projects
5. emerging technologies (solid waste and energy), including those without U.S. operating experience
6. design-build-operate (DBO), design-build-own-operate (DBOO) project and design-build-own-operate-transfer (DBOOT) project structures
7. domestic and foreign technology providers and project developers
8. projects financed in California
9. projects financed in the United States
10. projects financed internationally
11. business relationships and/or affiliations that enhance service capabilities
12. California-based resources and regional/national resources

3.1 Response Review

The County and its advisors will review all materials received in response to this RFEI. Based upon that review, the County will prepare a list of those Respondents that have demonstrated that they have sufficient experience, capabilities, and resources to provide financial services to public and private project developers related to the structuring, underwriting, or placement of financings of solid waste conversion technology projects. In conducting its review, the County will be mindful that the financing of conversion technology facilities will combine resources and capabilities that span revenue-based infrastructure project financing, solid waste project financing, and energy project financing, and that financings can be either via tax-exempt bonds, taxable bonds, or commercial (bank) financing.

In reviewing submissions and determining which respondents will be included in the report on and data base of financial services providers, the County will apply the following criteria:

- Clarity and completeness of submission
- General relevance of Respondent experience and capabilities to the County's conversion technology program
- Whether they have five years of corporate existence or, if shorter, evidence of comparable staff experience in other firms
- Whether they have experience in working with public agencies in the analysis, planning and/or implementation of infrastructure projects
- Whether they have specific experience with three (3) or more solid waste and/or renewable energy project financings and/or project-related financial advisory engagements
- Whether they have familiarity with and understanding of solid waste conversion technologies and renewable energy technologies and project structures (e.g., input and outtake contracts, security and guarantee requirements, risk allocation, etc.).

- Whether they have experience in the evaluation of State/Federal grant and/or financial incentives and subsidy programs and/or the inclusion of State/Federal grants and/or other subsidies in financing structures
- For investment bankers and/or lenders, what positions/roles have they held in prior listed transactions (i.e., senior or co-managers; principal lender, or syndicate member)
- Staff qualifications and experience
- Presence and experience in California
- Business relationships and affiliations that provide the Respondent access to additional resources and capabilities

3.2 Submission Requirements

The County requests that Respondents apply the following format and submission guidelines.

3.2.1 Format

Responses should be produced in 8 ½" x 11" format.

3.2.2 Response Outline

Responses should follow the following outline. Guidelines for length of response are also provided.

1. Letter of Transmittal (1 page)
2. Executive Summary (no more than 3 pages)
3. Organizational, professional, and financial resources
4. Detailed project descriptions
5. Portfolio listing and *brief* descriptions of infrastructure project financings, solid waste financings and/or renewable energy financings
6. Appendices – "project sheets," staff resumes and other materials considered pertinent by the Respondent

With respect to the items outlined above:

Item 1 – Identify the service for which you would like to considered, and include full contact information for the person to be listed as the contact for the County report and data base.

Item 2 – Identify the type of service for which you would like to be considered and describe the key attributes that qualify you for that service, addressing each of the criteria described in the section above.

Item 3 – In its discussion of organizational, professional, and financial resources, a Respondent should provide information on its ownership, affiliate, and counter-part relationships, staff experience and qualifications and financial resources. Commercial or business relationships that

might constitute a conflict of interest when working with a public sector project developer (such as extensive experience with a specific private company or project developer) should be identified. The County recognizes that, although this may exclude potential involvement in a publicly-developed project, such previous experience may not be of concern to a private developer.

Item 4 – In its project descriptions, a Respondent should discuss: the type of project (e.g., infrastructure, solid waste, renewable energy); its role and participation; project value (development and construction cost); financing structure (e.g., type of debt, equity, term, interest rates, approach to debt placement and/or syndication, financial/lending participants in addition to the Respondent; security structure (e.g., contracts, guarantees, credit enhancements); and the use of Renewable Portfolio Standard electricity pricing and other financial supports such as tax credits, grants and similar financial assistance that is available for these type of projects, both nationally and in California. Projects included should have been closed during the previous ten years, with emphasis on the past five years. With each reference project, provide a contact person and contact information, including telephone number and e-mail address, to allow the County and/or its advisors to review your performance with that client.

Item 5 – In its portfolio listing, brief descriptions (no more than one short paragraph) should be provided. The listing should encompass the previous ten years, with emphasis on the past five years.

Item 6 – Without placing a specific limit on appendix materials, the County requests that appendices not be excessive, with one exception. The County requests that a Respondent include one example of a prospectus, official statement, or offering memorandum for an appropriate and representative infrastructure, solid waste, or renewable energy financing.

All responses will be considered public information. Although the individual responses may not be released publicly, the results of the County's review will be made available to the public. Consequently, responses should not include confidential or proprietary information that any Respondent would not want publicly disclosed.

3.2.3 Submission Requirements

Responses are to be received no later than 4 p.m. Pacific Standard Time on July 28, 2011.

Responses received later than that time will not be reviewed. Responses are to be submitted in hard copy and electronic format. Electronic copies will be distributed to the County participants and its agents. Four (4) printed copies and four (4) CDs (in PDF format) should be submitted as follows:

ARI:

Two copies (printed copies and CDs):

Mr. David Mackenzie
Director of Economics and Finance
Alternative Resources, Inc.
1732 Main Street
Concord, MA 07142-3837
978-371-2054 (ext. 126)
dmackenzie@alt-res.com

County:

Two copies (printed copies and CDs):

Mr. Coby J. Skye, P.E.
Associate Civil Engineer
Environmental Programs Division
Los Angeles County Department of Public Works
900 South Fremont Avenue – Annex 3rd Floor
Alhambra, CA 91803-1331
626-458-5163
cskye@dpw.lacounty.gov

Regarding electronic versions, the County requests that each response (i.e., each complete RFEI response document, comparable to a complete printed document) be copied into one PDF file and that each CD contain only that one file.

Any questions should be directed to David Mackenzie, at Alternative Resources, Inc., via e-mail. A written response will be provided to all questions and distributed to all parties listed to be in receipt of the RFEI. Mr. Mackenzie is also available for discussion by telephone.