

BEFORE THE CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 97-2465
CONTRACT BETWEEN METRO AND GARDINER)
& CLANCY, LLC (CONTRACT 904803) FOR) Introduced by
FINANCIAL ADVISORY SERVICES) Mike Burton, Executive Officer

WHEREAS, Metro issued an RFP for a three year contract for financial advisory services in November 1995, and

WHEREAS, Metro selected the firm of Gardiner & Clancy, LLC as best qualified proposer to provide those services, and

WHEREAS, Metro executed contract No. 904803 with Gardiner & Clancy, LLC in 1996 for a term of one year, renewable for two years; and

WHEREAS, Amendment of this contract is needed to extend the term of this contract, recognize the new firm name, adjust billing rates, update the scope of work, and increase the contract amount, and

WHEREAS, All payments to the financial advisor are made from budgeted funds or from debt issuance proceeds for actual work performed; and

WHEREAS, The Metro Council as Public Contract Review Board may declare that it is in the public's interest for this work to move forward in the most expedient manner, accepts those findings and waives competitive bidding; now, therefore,

BE IT RESOLVED,

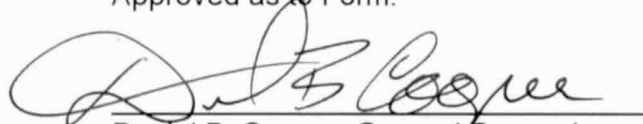
That the Metro Contract Review Board authorizes the execution of Change Order No. 2 to Contract No. 904803 with Gardiner & Clancy, LLC (henceforth known as Clancy, Gardiner, & Pierce, LLC) pursuant to the terms of Metro Code Sections 2.04.054 (a) (2) and (3) and extends the contract expiration date to June 30, 1999 and increases the maximum contract amount by \$162,500.

ADOPTED by the Metro Council this 13th day of March 1997



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

Project: Financial Advisory Services
Contract No. 904803
Change Order No. 2

In exchange for the promises and other consideration set forth below, the parties agree to changes in contract no. 904803 as follows (new language is underlined):

- A. All references to "Gardiner & Clancy, LLC" or "Gardiner & Clancy" shall be deleted and replaced with "Clancy, Gardiner, & Pierce, LLC" or "Clancy, Gardiner, & Pierce" as appropriate.
- B. Section 1 shall be amended to read:
1. Duration. This personal services agreement shall be effective January 29, 1996, and shall remain in effect until and including June 30, 1999, unless terminated or extended as provided in this Agreement.
- C. Section 4 shall be amended to read (cumulative effects of change order No. 1 and this change order):

4. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed TWO HUNDRED SEVENTY FIVE THOUSAND FIVE HUNDRED AND 00/100s DOLLARS (\$275,500). The hourly rates charged by the principals and employees of the contractor against this contract shall not exceed:

Patrick Clancy	\$135
Mark Gardiner	\$135
Chip Pierce	\$135
Janet Gallagher	\$50

The not-to-exceed amount shown above shall include reimbursement for direct, out-of-pocket, third party expenses such as out-of-town travel, conference calls, off-site copying services, mail and distribution of documents, the Sterret Report Management subcontract, and subcontractors or other professionals approved in advance by Metro. Metro shall not reimburse contractor for in-town travel, in-office copying, telephone services (other than conference calls), or subcontractors or other professionals not approved in advance by Metro

- D. The Scope of Work included in Attachment A to contract 904803 is deleted and replaced with the Scope of Work included as Attachment A to this change order.

Clancy, Gardiner & Pierce, LLC

METRO

By: _____

By: _____

Title: _____

Title: _____

By: _____

Date: _____

Title: _____

Date: _____

EXHIBIT A SCOPE OF WORK

All work of the contractor will be coordinated through the Financial Planning Manager. Principal contacts will include the Chief Financial Officer and key staff personnel of the operating department for which a project is being performed.

The contractor will perform the following:

A. Bond Debt Administration and Support

1. Provide services related to bond sales and capital leases, such as assistance in preparation of preliminary and final official statements, scheduling and structuring sales/instruments, contact with rating agencies.
2. Identify options for debt issuance (Budget Anticipation Notes, Tax Anticipation Notes, etc.) and alternative financing strategies.
3. Make presentations to the Metro Council, Council committees, Bond Counsel, and/or staff as needed.
4. Advise Metro as needed in post-sale administration of debt proceeds.
5. Monitor outstanding debt for refunding and restructuring opportunities to reduce debt services and improve project management.
6. Recommend agency-wide debt management and capital planning policies.

B. Regional Parks and Greenspaces

1. Analysis of long-range funding options for Regional Parks and Open Spaces capital improvements and operations

C. Metro Washington Park Zoo

1. Assist Metro in developing and negotiating any agreements necessary to installing paid parking at the Washington Park parking lot serving the Metro Washington Park Zoo
2. Analysis of long-range funding options for Zoo operations

C. Regional Environmental Management

1. Analysis of rate structure for solid waste tip fees and alternative funding mechanisms.
2. Study of the financial implications of department's major contracts.
3. Financial forecasts of transfer station contracts.

D. General Government Financial Advice

1. Assist and advise Metro with the development of comprehensive agency-wide and department specific financial polices, and recommend modification to all adopted financial policies as needed.
2. Assist Metro in the coordination, preparation and update of long range financial and capital improvements plans. Assist in establishing and monitoring financial indicators and in reviewing and updating agency financial policies.
3. Assist Metro in researching and analyzing various ongoing funding and financing alternatives. Provide assistance with identifying, researching and implementing new funding sources under Metro's home rule charter.
4. Assist Metro on certain other matters which may come to Metro's attention which would require the expertise of a financial consultant.

F. Additional Projects

It is expected that financial advice will be required on some of the following projects and potential projects.

1. Regional Transportation and Growth Management Planning Funding
2. Open Spaces Operations Funding

RECEIVED

APR - 1 1997

METRO Risk & Contract Management Division

CHANGE ORDER SUMMARY

CHANGE ORDER NO: 2 INITIATION DATE: Feb 20, 1997

CONTRACT NO: 904803 PROJECT: Financial Advisory Services

CONTRACTOR: Clancy, Gardiner and Pierce, LLC VENDOR # 13807
 (formerly Gardiner and Clancy, LLC)

PROPOSED BY: Craig Prosser, Financial Planning Manager
 PROJECT MANAGER/DEPARTMENT

FINANCIAL IMPACT

BUDGET CODE/TITLE: 610-041400-524190-00000 and bond issuances

Original Contract Sum: \$ 65,000

Net Change Orders to Date: \$ 48,000

Contract Sum Prior to this C/O: \$ 113,000

This Change Order Request: \$ 162,500

New Contract Sum, Post C/O: \$ 275,500

Fiscal Year ~~95-96~~ 96-97
Appropriation \$ 80,500

Contract, Paid to Date: \$ 94,000

Est. Appropriation Remaining: \$ 181,500

EFFECTIVE DATE(S): Jan. 29, 1996 - June 30, 1997

REVIEW & APPROVAL:

Craig Prosser 2/21/97
 DIVISION MANAGER DATE

Steve Dutta 2/21/97
 FISCAL DATE
 BUDGET (MULTI-YEAR ONLY) DATE

DEPARTMENT DIRECTOR DATE

Steve Dutta 2/21/97
 DIRECTOR ADMINISTRATIVE SVC DATE

LEGAL DATE

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 97-2465 FOR THE PURPOSE OF AMENDING THE CONTRACT BETWEEN METRO AND GARDINER & CLANCY, LLC (CONTRACT NO. 904803) FOR FINANCIAL ADVISORY SERVICES

Date: February 20, 1997

Presented by: Craig Prosser

PROPOSED ACTION

Approval to amend the existing contract (Contract No. 904803) between Metro and Gardiner & Clancy, LLC for financial advisory services related to the analysis of alternative funding mechanisms for Metro's solid waste system. This resolution will increase extend the term of the contract until June 30, 1999, change the billing rates, increase the contract amount by \$162,500, update the scope of work, and recognize the change in the firm name to Clancy, Gardiner, & Pierce, LLC.

FACTUAL BACKGROUND

Resolution 95-2229, approved by the Metro Council on November 2, 1995, authorized Metro to issue a Request for Proposals from qualified firms for financial advisory services for a three year period and to enter into a contact with the successful proposer. The RFP was issued, proposals were received and and evaluated, and the firm of Gardiner & Clancy, LLC was selected as the most qualified proposer. The selection committee, made up of the Chief Financial Officer, the Financial Planning Manager, and representatives of several departments which use the financial advisor's services had two concerns about Gardiner & Clancy, however: The firm was quite new (although all three principals had been in the financial advisory business for a number of years), and the principals had extensive community involvement which could create potential conflicts of interest. For these reasons, the selection committee recommended not to enter into a three year contract with the firm, but rather to enter into a one year contract which was renewable for 2 years upon successful completion of the first year. The term of the original contract ran from January 29, 1996 to January 31, 1997.

In January 1997, the Financial Planning Manager polled all of the original members of the selection team to determine their level of satisfaction with the services of Gardiner & Clancy and to obtain their recommendation on the possible extension of the contract for two years. All of the members reported

that they are satisfied with Gardiner & Clancy's performance and recommended extending the contact for two years.

The Chief Financial Officer and the Financial Planning Manager conducted a performance review of Gardiner & Clancy with the firms three principals on February 4, 1997. The review noted the high quality of service provided by Gardiner & Clancy and the timeliness of response. The review also noted that although potential conflicts of interest do exist because of the principals other business and community interests, the firm principals have been very good about notifying Metro of those potential conflicts in advance and avoiding any actions in conflict with Metro or Metro's goals. It is therefore appropriate to extend the contract. This contract was scheduled to terminate in January. It is recommended to extend this contract two and a half years, to June 30, 1999, to coincide with the end of Metro's fiscal year and to move the termination date out of Metro's heavy budget workload period.

Four additional changes to the contract are also appropriate at this time:

1. During the course of 1996, Gardiner & Clancy promoted Chip Pierce, made him a partner in the firm, and changed their name to Clancy, Gardiner & Pierce. All references in the contract to Gardiner & Clancy are therefore being changed to Clancy, Gardiner & Pierce.
2. With the promotion of Chip Pierce to partner, his billing rate is being increased to \$135 per hour.
3. The original contract amount for one year was \$65,000. This amount was subsequently amended by Amendment No. 1 dated March 31, 1996 by \$48,000 for additional work not included in the original scope of work related to analysis of alternative funding mechanism for Metro's solid waste system (Resolution 96-2304). With a two and a half year extension, the total contract amount must be adjusted. The recommendation is to increase maximum contract amount by the original amount (\$65,000) times two and a half years for a total increase of \$162,500. This amount is a maximum reimbursement only. Actual reimbursement is based on work performed.
4. Some minor changes are also being made to the scope of work to reflect current requirements.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 97-2465.