

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

| | | |
|-----------------------------------|---|---------------------------|
| FOR THE PURPOSE OF APPROVING A |) | RESOLUTION NO. 89-1147 |
| REQUEST FOR PROPOSAL DOCUMENT FOR |) | |
| FINANCIAL ADVISORY SERVICES |) | Introduced by |
| |) | Council Finance Committee |

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

WHEREAS, The contract for financial advisory services requires Council approval, and the proposal document has been filed with the Council Clerk; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District approves the Request for Proposal for financial advisory services attached as Exhibit A hereto and authorizes that it be released for response by vendors or proposers.

ADOPTED by the Council of the Metropolitan Service District this 12th day of October, 1989.



Gary Hansen, Deputy Presiding Officer

DEC:gpwb
a:rfbrfp.res
9/13/89

**REQUEST FOR PROPOSALS
FINANCIAL ADVISORY SERVICES**

I. INTRODUCTION

The Metropolitan Service District (Metro) is requesting proposals from qualified firms to perform financial advisory services. The term of the contract will be for a period of three (3) years. Proposals will be due by 5:00 p.m. 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

The Metropolitan Service District (Metro) is the nation's first directly elected regional government. Established by voters in the region in May 1978, Metro serves the urban areas of Clackamas, Multnomah and Washington counties (including 24 cities), with a population of approximately one million persons. Metro is governed by an Executive Officer elected region-wide, and by 12 Councilors elected from subdistricts.

Metro is responsible for addressing issues of regional significance that cut across traditional city and county boundaries.

Through Metro's enabling legislation (Oregon Revised Statutes, chapter 268) the service district is a municipal corporation having a variety of specific authorized functions. The range of potential services include water and wastewater management, and providing for public transportation and terminal facilities. The District has the ability to issue General Obligation Bonds and Revenue Bonds, to levy serial taxes and to establish a property tax base upon approval of the voters.

Currently Metro owns and operates the Metro Washington Park Zoo, is responsible for disposal of the region's solid waste as well as the construction and operation of the Oregon Convention Center. Further, Metro provides development and transportation planning services to cities, counties and special districts in the region. A more detailed description of Metro services may be found in Attachment A to the Request for Proposal.

III. SCOPE OF WORK

All work of the financial advisor will be coordinated through the Director of Finance & Administration. Principal contacts will include the Manager of Financial Services, Senior Management Analyst for long term financial planning and key staff personnel of the operating department for which a project is being publicly financed.

The selected financial advisor will be required to perform the following:

A. Bond Debt Administration and Support

1. Assist Metro in reviewing reports furnished by Metro's paying agent/registrar, on request.
2. Make presentations to the Metro Council, Council Committees, Bond Counsel, and/or staff as needed.
3. Provide other services normally provided to clients which relate to bond sales, such as assistance in preparation of preliminary and final official statements, scheduling and structuring sales/instruments, contact with rating agencies.

B. Metropolitan Exposition-Recreation Commission Consolidation

Advise the Commission regarding alternative financing strategies for capital improvements required for existing facilities operated by the Commission (Oregon Convention Center, Memorial Coliseum Complex, Civic Stadium, Civic Auditorium, and the Performing Arts Center). Also advise the Commission regarding financing alternatives for possible new facilities which may be constructed in the future. Advise the Commission on future financing plans for on-going operations of its facilities.

C. General Government Financial Advice

1. On request, assist Metro with its investment policies and with federal arbitrage regulations. Any services for day to day management of funds and compliance with federal arbitrage regulations would be under separate contract.
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 the implementation of new funding sources approved by State Legislature.
4. Assist Metro on certain other matters which may come to Metro's attention which would require the expertise of a financial consultant.

D. Waste Reduction and Resource Recovery Projects

Metro's Solid Waste Department is involved with procuring and implementing a resource recovery project for mass composting with Riedel Environmental Services. In addition, it is anticipated that several other facilities will be added to Metro's solid waste management system over the next few years. Possible projects include transfer stations, material recovery facilities and yard debris processing facilities. Metro staff will be responsible for procurement of these facilities, however, financial advisory services may be requested in evaluating various financing alternatives and options, reviewing investment banker charges and in the preparation of the bond sale.

IV. CONTENTS OF PROPOSAL

- A. Organization of Firm
 - 1. How is firm organized? Partnership, Corporation or Sole Proprietorship?
 - 2. How will its resources be put to work for Metro?
- B. Personnel
 - 1. What individuals would be assigned to Metro? Please provide resumes.
 - 2. What would be their availability?
 - 3. What additional professional resources would be available?
 - 4. What technical capabilities are available?
- C. List your most recent financial advisory relationships. Please include the names, addresses, and phone numbers of contact persons. Briefly describe the work performed, including the dollar amount of the issues or other financings.
- D. Describe you firm's past experience with similar type of work, as described in the Scope of Work, for government agencies and/or special districts.
- E. Outline your firm's experience with the major rating agencies. Discuss this experience and its potential applicability to Metro.
- F. Describe any innovations you have developed or worked on, briefly outline the problem, your solution and the results.
- G. Compensation - Please explain the firm's proposed fee schedule for the work proposed and for various financing alternatives. If the firm proposes that Metro bear the costs of incidental expenses, clearly state what type of incidental expenses Metro will be expected to bear. The firm should

submit a bid on a time and materials basis with a not-to-exceed price stated for the proposal. Hourly rates of the personnel assigned to the project should be provided.

Metro does not foresee circumstances in which the Financial Advisor would also participate as bond underwriter.

A budget for FY 1989-90 not to exceed \$125,000 has been established for this contract.

- H. Please attach a recent representative example of a municipality's official statement in which you acted as financial advisor.

V. PROPOSAL INSTRUCTIONS

A. Deadline and Submission of Proposals

Three copies of the proposal shall be furnished to Metro addressed to:

Jennifer Sims
Manager of Financial Services
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

Proposals will not be considered if received after 5:00 p.m., _____, 1989. Postmarks are not acceptable.

B. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the 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 must be submitted in writing to Jennifer Sims, Manager of Financial Services. 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 _____, 1989.

C. Subconsultants; Disadvantaged Business Program

A subconsultant is any person or firm proposed to work for the prime consultant on this project. Metro does not wish any subconsultant selection to be finalized prior to contract award. For any task or portion of a task to be undertaken by a subconsultant, the prime consultant shall not sign up a subconsultant on an exclusive basis.

In the event that any subconsultants are to be used in the performance of this agreement, the prime consultant agrees to make a good faith effort, as that term is defined in Metro's Disadvantaged Business Program (Section 2.04.160 of the Metro Code) to reach the goals of subcontracting 5 percent of the contract amount to Disadvantaged Businesses and 5 percent of the contract amount to Women Businesses. Consultant shall contact Metro prior to negotiating any subcontracts. Metro reserves the right, at all time during the period of this agreement, to monitor compliance with the terms of this paragraph and Metro's Disadvantaged Business Program.

VI. GENERAL PROPOSAL AND CONTRACT CONDITIONS

- A. Limitation and Award - This Request for Proposals 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 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.
- B. Contract Type - Metro intends to award a personal services contract with the selected firm for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.
- 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.

VII. EVALUATION CRITERIA

Firms responding to the Request for Proposals will be evaluated on the basis of the following:

- 1. General (15 points)
 - a. Organization of proposal
 - b. Responsiveness to the purpose and scope of services.
 - c. Use of subconsultants and compliance with Metro's Disadvantaged Business Program, if appropriate.

2. Personnel (30 points)

- a. Experience and qualifications of personnel assigned to this project determined from material provided
- b. Availability of personnel assigned
- c. Additional professional resources available

3. Organization and Experience of Firm (30 points)

- a. How will the firms resources be put to work for Metro?
- b. Past experience with similar type of work for government agencies and/or special districts.
- c. Previous experience with the major rating agencies
- d. Favorable references from previous financial advisory relationships

5. Cost of services. (25 points)

All firms submitting proposals will be notified when a consultant has been selected. Metro reserves the right to reject any or all proposals, to waive irregularities and technicalities and to accept the proposal deemed most advantageous to the District.

ATTACHMENT A

METRO SERVICES

Metro Washington Park Zoo

Metro owns and operates a 64-acre zoo. This facility is a major cultural, educational and recreational attraction drawing visitors from throughout Oregon and the Pacific Northwest. Average annual attendance is 880,000 persons which is the largest admission attraction in the state.

The Zoo is funded through two major sources; 1) enterprise revenues (admission fees, concessions revenues, etc); and 2) a serial tax levy. The current serial levy funds both operating and capital improvements and will be in effect through June 1990. Since Metro began operating the Zoo, there have been a number of improvements. These include the Cascades Stream and Pond Exhibit, the Alaska Tundra Exhibit, the Africa Exhibit, and remodelling of the Penguinarium, West Bear Grottos, the primate facilities and the administration and entranceway facilities. A Master Plan proposes improvements to exhibits as well as investments to improve the function of the Visitor Services and parking areas. The Zoo has not used debt financing for any improvements since Metro began its operation.

Solid Waste

Metro is responsible for disposal of nearly one million tons of waste per year. This includes planning, developing and managing the region's landfills and transfer stations; and providing recycling promotion, education and local assistance programs. It does not include collection.

Metro through its operations directly handles approximately 600,000 tons of waste each year. To accomplish this Metro operates two facilities -- the St. Johns Landfill (owned by the City of Portland and operated by Metro), and the Metro South Station (owned and operated through contract by Metro).

Future facilities for handling solid waste are currently being planned. Most immediate is the region's second transfer station to service the East Wasteshed and facilitate transfer of waste to the new landfill in Eastern Oregon. A new privately owned landfill has been sited in Gilliam County and will begin receiving Metro area solid waste in 1990.

Funding for solid waste programs and operations is paid entirely through user fees. No taxes are used to fund these services. Debt financing (borrowing from funds derived from State Pollution Control Bonds issued by the Oregon Department of Environmental Quality) has been used to fund major capital investments. Although revenue bonds could have been used, because of the more favorable interest rates provided by the Pollution Control Bonds in past years, no Metro public sale has occurred.

Local Government Services

Metro coordinates a variety of special services to local governments in the region, including: transportation planning, regional data research and analysis, development services, technical services to local governments and monitoring the urban growth boundary.

Through the Joint Policy Advisory Committee on Transportation, Metro works with local governments to secure and allocate federal highway and transit funds for the region. The Regional Transportation Plan, currently being updated, will be a guide to highway and transit improvements needed to the year 2005 in the tri-county area. Additionally, with a regional computerized data base, the Data Resource Center provides demographic data and analysis to private and public sectors. A regional population and employment forecast to the year 2005 has been updated.

The Planning and Development Department provides land-use, economic development and public facility planning services to local governments. Through administration of the urban growth boundary, Metro defines land to be used for urban development during the next 20 year. Metro also helps local governments prepare and update their comprehensive land-use plans. The department also provides services to local governments through professional training workshops, intern and grant application assistance and a directory of regional governments.

Local government services are funded by two primary sources: 1) local government assessment dues (based on population) as authorized by the state legislature; and 2) state and federal grants for the transportation planning services. Because the Planning departments provide professional services, there are no capital or debt service requirements at this time.

Oregon Convention Center

Metro's Convention Center Project office is responsible for coordinating construction and management of a regional convention facility. The convention center site is on Portland's east side near the Memorial Coliseum. The facility will have 200,000 square feet of exhibit and meeting space plus 200,000 square feet for support facilities. The convention center is expected to draw 21 major conventions a year after it opens in September, 1990.

Metro has established the Metropolitan Exposition-Recreation Commission to oversee marketing and operations. The Portland/Oregon Visitors Association, under contract to Metro E-R Commission, directs a national marketing campaign aimed at convention and trade show organizers.

Construction of the Oregon Convention Center is funded by three primary sources: 1) general obligation bonds; 2) State lottery proceeds; and 3) Local Improvement District funds. In November 1986, voters approved a \$65 million bond issue. Bonds were sold by Metro on July 9, 1987. The bonds were well rated and sold at a favorable rate. State Lottery proceeds will contribute an additional \$15 million to the project. Finally, the Local Improvement District in support of the convention center is expected to contribute \$5 million. All three funding sources are dedicated to the capital portion of the project.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 89-1147 APPROVING THE REQUEST FOR PROPOSAL FOR
FINANCIAL ADVISORY SERVICES

Date: October 4, 1989

Presented by: Councilor Gardner

COMMITTEE RECOMMENDATION: At the September 21, 1989 Committee meeting, the Committee voted 3-0 to recommend adoption of Resolution No. 89-1147. Voting yes were Councilors Collier, Gardner and Wyers. Councilors Devlin and Van Bergen were excused.

COMMITTEE DISCUSSION/ISSUES: Kathy Rutkowski, Management Analyst in Finance and Administration, explained the RFP to the Committee. It was pointed out that the District has utilized the services of a general financial advisor over the past three years and that the District's Contract Ordinance limits Personal Services Contracts such as this to a maximum of three years. This proposed RFP would enable the District to obtain financial advisory services for another three year period.

The Committee considered Council staff comments included in a memo dated September 19, 1989 (see Attachment 1 to this report), concerning the use of a financial advisor. Based on the recommendations of Council staff, the Committee amended Section I of the RFP to clarify that the term of a proposed contract resulting from this RFP was three years rather than a single year with an option to renew for two additional years. This change makes it clear that the proposed contract is for a multi-year period.

The Committee also approved a motion to request that the Executive Officer respond in writing to questions and concerns raised by Council staff regarding the use of the emergency contract procedures for current financial advisory services.

DEC:aeb
Attachment

A:\FINRPT.104



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503 221-1646

Memorandum

DATE: September 21, 1989
TO: Finance Committee
FROM: Donald E. Carlson, Council Administrator *DE*
RE: Resolution No. 89-1147 Approving the RFP for Financial Advisory Services

The purpose of the Resolution is to approve the Request for Proposal (RFP) for District financial advisory services for release to proposers for response. The contract which will result from the RFP process is designated an "A" Contract on the Contracts List and is anticipated to be a multi-year contract (see Attachment 1). Multi-year "A" Contracts require Council approval of the RFP and the contract according to the Metro Code.

BACKGROUND INFORMATION:

The proposed RFP is the second time the District has sought general financial advisory services. In 1986 the District solicited proposals and selected Government Finance Associates as its Financial Advisory. A contract was approved which had a three year term (7/24/86 to 7/24/89) for an amount not to exceed \$255,000. The Scope of work was very similar as described in the proposed RFP in that it included a wide variety of potential work from general advice to specific projects such as the Composter.

In March 1989, the Council approved Ordinance No. 89-287A which amended the 1988-89 budget to authorize expenditure of \$9,045 on the Metropolitan Government Finance Committee (work to be performed by GFA) and it waived the three year time limit on personal service contracts and approved an extension of the GFA contract both as to the amount (increased by \$21,710 to \$276,710) and time (from 7/24/89 to 1/31/90). In approving the contract extension, the Council limited GFA to work only on the Metropolitan Government Finance Committee project (see Attachment 2). The purpose of the limitation was to allow an existing project to be completed by the current financial advisor while the Administration completed the procurement process for the new financial advisory services contract.

On August 17, 1989, the Executive Officer notified the Presiding Officer that an emergency contract for financial advisory services had been executed (see Attachment 3). The reasons stated appear to be: 1) to reflect the fact that the principals working on the contract no longer work for GFA, but now work for Public Financial Management, Inc.; and

2) to allow necessary time to undertake the RFP process for financial advisory services. The Scope of Work for the new contract appears to be substantially similar to the original GFA contract. The amount of the contract is not to exceed a total of \$44,000, following specific project amounts shown in Attachment 4. The term of the contract is somewhat confusing. The Executive Officer's letter indicates the contract will run through December 31, 1989. The contract indicates the term is from May 17, 1989 through September 17, 1989.

QUESTIONS AND OBSERVATIONS

Council staff has the following questions and observations:

1. Staff is concerned about the use of the emergency contract approval authority as a basis for approving the contract. The Administration knew as of March 1989, the contract was going to expire on July 24, 1989, allowing five months to run a procurement process to obtain the services.
2. The Metro Code authorizes the Executive Officer to execute emergency contracts following certain procedures. It also requires the Executive to notify the Council of such action "at the Council meeting immediately following adoption of the findings declaring an emergency" (see Attachment 5). The contract file contains a Statement of Need--Declaration of Emergency Contract (see Attachment 6) which has a date on it of June 16, 1989. Did the Executive Officer notify the Council of this contract at its June 22, 1989 meeting?

The contract was signed by the Deputy Executive Officer on July 20, 1989 and by the PFM, Inc., representative on July 28, 1989. Did the Executive Officer notify the Council of this contract at its July 20 or August 10 meeting?

3. Does the District now have a valid contract for financial advisory services? It appears the emergency contract has expired. Is the Administration going to amend the contract to extend it to December 31, 1989?
4. In regard to the proposed RFP, "cost" is to be 25% of the evaluation criteria. How will this work for this RFP--will proposers quote certain amounts for the various projects identified in Section III or will they quote rates for the various people assigned to the project?
5. To avoid any question that this is a multi-year contract which requires Council approval, staff recommends that Section I in the proposed RFP be changed to reflect that the term of the contract is three years.

Contracts List

FY 1989-90 CONTRACTS LIST New Contracts

| CONTRACT # | VENDOR/DESCRIPTION/ACCOUNT NUMBER | TYPE DURATION | TOTAL AMOUNT OF CONTRACT | FY 1989-90 AMOUNT | COUNCIL DESIGNATION |
|--------------------------------|---|--------------------|-----------------------------|----------------------|------------------------|
| FINANCE & ADMINISTRATION | | | | | |
| Materials & Services: | | | | | |
| New | Computer consulting to integrate contract system with "A" series and to further develop the contracts system 010-045000-524190-00000 | PS 7/1/89-6/30/90 | 5,000 | 5,000 | A |
| New | Financial Advisor 10-41421-524190 | PS 7/25/89-7/24/92 | 45,000 | 15,000 | A |
| BUILDING MANAGEMENT FUND | | | | | |
| Materials & Services: | | | | | |
| New | Security Service 513-41414-524190 | L&M 8/1/89-7/31/90 | 14,000 | 14,000 | A |
| SOLID WASTE OPERATING FUND | | | | | |
| Operations | | | | | |
| Materials & Services: | | | | | |
| New | Engineering services for annual report 530-312310-524190 | PS 7/89-6/91 | 200,000 | 100,000 | A |
| New | Metro South Operations Contract (re-bid) 530-312430-526610 | L&M 1/90-1/95 | 10,000,000 | 930,000 | A |
| Systems Planning & Engineering | | | | | |
| Materials & Services: | | | | | |
| New | Household Hazardous Waste Days Vendor to organize, conduct and dispose of material 530-314400-524190 | PS 7/89-6/90 | 500,000 | 500,000 | A |

ATTACHMENT 1
(COUN. MEMO ON RES. NO. 89-1147)

EXHIBIT C
Ordinance No. 89-287 A

AMENDMENT NO. 2

The Contract between the Metropolitan Service District, hereinafter referred to as "METRO" and Government Finance Associates, Inc., hereinafter referred to as "CONTRACTOR", dated the 24th day of July, 1986, for the purposes of providing financial advisory services, is hereby amended to revise the Scope of Work as follows:

II. Scope of WorkC. Other Financial Advice

Government Finance Associates, Inc. (GFA) will provide general staff support to the Metropolitan Government Finance Committee over the period of one year. GFA will be responsive to the requests of the Committee members, subject to the approval of Metro's Director of Finance & Administration.

Currently identified tasks shall include:

- 1) A summary of outstanding debt in the metropolitan area. This will include a list of overlapping and underlying outstanding bond issues by other jurisdictions within the metropolitan area. From this information the total debt burden of the area can be determined, as well as some measure of additional debt capacity.
- 2) A summary of proposed bond, tax base and levies outside the six percent limitation derived from budget documents filed with the State Department of Revenue. In conjunction with Task 1, GFA will research additional tax proposals facing the region. Such proposals will include increases related to new bond issues, operating and capital levies, and tax base increases. To the extent that such proposals are approved, the financing capacity of the region is marginally diminished.
- 3) A mapping of consolidated tax rates versus general indices of wealth. A visual depiction of the tax rates versus wealth index will provide an indication of the tax burden facing different areas in the metropolitan region. Such a map will show a spectrum of affordability of

tax burdens.

- 4) A listing of potential revenue sources and the existing authority, or need to obtain authority.
New revenue sources are constantly being evaluated and implemented by municipal governments. GFA will perform a reconnaissance of developing revenue sources and evaluate the legal ability of entities in Oregon to secure such sources.
- 5) General descriptions of the taxation and budget systems of Oregon.
GFA will provide an overview of taxation and budget systems and strategies practiced by other governments around the State. This effort will be focused primarily on larger and multi-jurisdictional entities.

The total contract value will increase \$21,710 (twenty one thousand seven hundred ten dollars) from \$255,000 to \$276,710. The termination date of the contract will be extended from July 24, 1989 to January 31, 1990 to complete the scope of work authorized herein. All other terms of the Contract remain in full force and effect.

DATED this 31st day of January, 1989.

GOVERNMENT FINANCE ASSOCIATES

By: _____

Date: _____

METROPOLITAN SERVICE DISTRICT

By: _____

Date: _____

c:\kr\res\finance\amend

**METRO**2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: August 17, 1989

TO: Mike Ragsdale, Presiding Officer

FROM: Rena Cusma, Executive Officer *R. Cusma*

REGARDING: EXECUTION OF EMERGENCY CONTRACT

The Metropolitan Service District has contracted with Government Finance Associates, Inc (GFA) to provide financial services on a variety of projects since July 1986. During May, 1989 Government Finance Associates experienced a period of growth and reorganization. As a result, the Portland office of GFA was eliminated. The closest branch office is now San Francisco.

The professional staff of the Portland branch of Government Finance Associates have formed a new office in the area under the name Public Financial Management, Inc. It is very important to the projects currently in progress to maintain the continuity of professional financial advisors. The staff of Public Financial Management have in-depth knowledge of Metro, its background and structure, and being a local firm, are immediately accessible.

I have executed an emergency contract with Public Financial Management, Inc. for the period through December 31, 1989. This contract will provide the continuity in financial advisors needed for the current projects and will allow the necessary time to prepare and proceed with a formal Request for Proposal process for financial advisor services.

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PFM Scope of Work
6/19/89
Page 4

Contractor will not charge for miscellaneous fees other than those directly related to the issuance of debt. Likewise, it is not anticipated that there would be any miscellaneous fees for services outside of the normal scope of duty.

The following are maximum not-to-exceed charges by project:

| | |
|---|---------------|
| Debt Administration and General Advice | \$ 5,000 |
| Metropolitan Government Finance Committee | 14,000 |
| Metropolitan Exposition Recreation Commission | 15,000 |
| Resource Recovery Facilities | <u>10,000</u> |

| | |
|-------------------------------------|----------|
| TOTAL CONTRACT NOT-TO-EXCEED AMOUNT | \$44,000 |
|-------------------------------------|----------|

G. Billings

Billings must include a detailed breakdown by project of costs being billed (personnel used, number of hours, rate and total for each task, for example). These should be detailed by the tasks as outlined in this Agreement.

Billings should be submitted to:

Mr. Ray Phelps
Director of Finance & Administration
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

The term of this agreement shall cover the period between May 17, 1989 and enactment of a new long-term contract between Metro and its financial advisor selected for the contract period.

It is understood that Metro wishes to proceed with a formal RFP process and then to select a financial advisor for a specified term. It is understood that the terms and conditions of this agreement will cease as soon as that selection has been made and all obligations under this agreement have been satisfied. It is understood that the term of some of the projects may extend beyond the selection period for a new financial advisor; however, this agreement will cease upon that new selection and all materials relating to the project will be provided, after payment of accrued charges, to the new advisor.

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6/21/89

Sec. 2; amended by Ordinance No. 87-223, Sec. 1; amended by Ordinance No. 88-249, Sec. 2)

2.04.050 Personal Services Contracts, General Provisions:

(a) Distinguishing Between Employees and Independent Contractors: Employees shall not be hired under the guise of a Personal Services Contract. To determine whether a particular worker is to be an employee or an independent contractor, the most important factor to consider is the employer's right to control. If the employer is to retain the right to control the manner and means of accomplishing a desired result, the worker is generally considered an employee; if, however, the employer has the right to control only the results of the work, the worker is considered an independent contractor. This test of control does not require actual exercise of control, but rather the employer's right to control. The following factors shall be considered in determining a worker's status:

(1) Whether the worker is to be engaged in a distinct occupation or business. Independent contractor status is often accorded those who are engaged for their special skills. Thus, the hiring of an architect, broker, doctor, painter or attorney may indicate that an independent contractor relationship is being contemplated.

(2) Whether the employer or the worker is to supply the instrumentalities, tools and the place of work.

(3) Whether the worker or the employer is to have the power to dictate the particular manner in which the instrumentalities or tools shall be used and the way the workers shall do their work.

(4) Whether the worker employs, pays and has full power of control over assistants.

(5) Whether the work is part of the regular business of the employer.

(b) An emergency contract for personal services may be let without obtaining quotes in writing when the Executive Officer makes written findings that an emergency exists because of circumstances which could not have been reasonably foreseen and requires the prompt execution of a contract to remedy that condition. The Executive Officer shall inform the Council of all such contracts declared to be an emergency at the Council meeting immediately following the adoption of findings declaring an emergency.

STATEMENT OF NEED

DECLARATION OF EMERGENCY CONTRACT

Since July 24, 1986, the Metropolitan Service District has contracted with Government Finance Associates, Inc. to provide financial services on a variety of projects ranging from Convention Center General Obligation bond issuance to general financial advise. During the period of the contract, the professional staff of the Portland Office of GFA has provided a high level of professional quality services. They have an in-depth familiarity with the structure of Metro as an agency, are highly knowledgeable in governmental funding requirements, in particular Metro's requirements and history, and have performed extensive research related to Metro's current projects. In addition, being a local firm, have been immediately available and easily accessible to provide the services required.

During May, 1989, Government Finance Associates, Inc. experienced a period of growth and reorganization. As a result, the Portland Office of Government Finance Associates has been immediately eliminated. The closest GFA branch office is now San Francisco.

The professional staff of the Portland branch of GFA has formed a new office in the area under the name Public Financial Management, Inc. It is very important to the projects currently being undertaken to maintain the continuity of professional financial advisors. The contributing factors to this continuity are the in-depth knowledge of Metro, its background and structure, as well as the local accessibility of the firm.

An emergency contract with Public Financial Management is being prepared for a period of four months. This contract will provide the continuity in financial advisors needed for the current projects and will allow the necessary time to prepare and proceed with a formal RFP process for financial advisor services.

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6/19/89



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: September 21, 1989

TO: Finance Committee *DE*

FROM: Donald E. Carlson, Council Administrator

RE: Resolution No. 89-1147 Approving the RFP for Financial Advisory Services

The purpose of the Resolution is to approve the Request for Proposal (RFP) for District financial advisory services for release to proposers for response. The contract which will result from the RFP process is designated an "A" Contract on the Contracts List and is anticipated to be a multi-year contract (see Attachment 1). Multi-year "A" Contracts require Council approval of the RFP and the contract according to the Metro Code.

BACKGROUND INFORMATION:

The proposed RFP is the second time the District has sought general financial advisory services. In 1986 the District solicited proposals and selected Government Finance Associates as its Financial Advisory. A contract was approved which had a three year term (7/24/86 to 7/24/89) for an amount not to exceed \$255,000. The Scope of work was very similar as described in the proposed RFP in that it included a wide variety of potential work from general advice to specific projects such as the Composter.

In March 1989, the Council approved Ordinance No. 89-287A which amended the 1988-89 budget to authorize expenditure of \$9,045 on the Metropolitan Government Finance Committee (work to be performed by GFA) and it waived the three year time limit on personal service contracts and approved an extension of the GFA contract both as to the amount (increased by \$21,710 to \$276,710) and time (from 7/24/89 to 1/31/90). In approving the contract extension, the Council limited GFA to work only on the Metropolitan Government Finance Committee project (see Attachment 2). The purpose of the limitation was to allow an existing project to be completed by the current financial advisor while the Administration completed the procurement process for the new financial advisory services contract.

On August 17, 1989, the Executive Officer notified the Presiding Officer that an emergency contract for financial advisory services had been executed (see Attachment 3). The reasons stated appear to be: 1) to reflect the fact that the principals working on the contract no longer work for GFA, but now work for Public Financial Management, Inc.; and



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: October 2, 1989

To: Rena Cusma, Executive Officer

From: Councilor Tanya Collier, ^{A.C.} Finance Committee Chair

Regarding: REQUEST FOR FOLLOWUP REGARDING EMERGENCY CONTRACTS AND
SOLID WASTE PAST DUE ACCOUNTS REPORT

The Finance Committee, at its September 21, 1989, meeting recommended the Council adopt as amended Resolution No. 89-1147, For the Purpose of Approving the RFP for Financial Advisory Services. Councilor Gardner also moved, and the Committee unanimously approved, a motion to request the Executive Officer to respond in writing to the questions and concerns raised in section numbers 1, 2 and 3 under "QUESTIONS AND OBSERVATIONS" contained in a memo to the Finance Committee from Council Administrator Donald E. Carlson, dated September 21, 1989. Enclosed is a copy of the memo. The Committee requested the response by the next Finance Committee meeting. Please be advised this item has been scheduled as agenda item number 3. for the Finance Committee meeting of October 5, 1989.

In addition, at the August 17, 1989, Finance Committee meeting, Finance and Administration Director Phelps briefed the Committee on the status of Solid Waste Past Due Accounts. The Committee at that time had requested that they also receive a written status report. To date, that report has not been provided to the Committee.

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attachments

cc: Ray Phelps



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503 221-1646

Memorandum

DATE: September 21, 1989

TO: Finance Committee

FROM: Donald E. Carlson, *DE* Council Administrator

RE: Resolution No. 89-1147 Approving the RFP for Financial Advisory Services

The purpose of the Resolution is to approve the Request for Proposal (RFP) for District financial advisory services for release to proposers for response. The contract which will result from the RFP process is designated an "A" Contract on the Contracts List and is anticipated to be a multi-year contract (see Attachment 1). Multi-year "A" Contracts require Council approval of the RFP and the contract according to the Metro Code.

BACKGROUND INFORMATION:

The proposed RFP is the second time the District has sought general financial advisory services. In 1986 the District solicited proposals and selected Government Finance Associates as its Financial Advisory. A contract was approved which had a three year term (7/24/86 to 7/24/89) for an amount not to exceed \$255,000. The Scope of work was very similar as described in the proposed RFP in that it included a wide variety of potential work from general advice to specific projects such as the Composter.

In March 1989, the Council approved Ordinance No. 89-287A which amended the 1988-89 budget to authorize expenditure of \$9,045 on the Metropolitan Government Finance Committee (work to be performed by GFA) and it waived the three year time limit on personal service contracts and approved an extension of the GFA contract both as to the amount (increased by \$21,710 to \$276,710) and time (from 7/24/89 to 1/31/90). In approving the contract extension, the Council limited GFA to work only on the Metropolitan Government Finance Committee project (see Attachment 2). The purpose of the limitation was to allow an existing project to be completed by the current financial advisor while the Administration completed the procurement process for the new financial advisory services contract.

On August 17, 1989, the Executive Officer notified the Presiding Officer that an emergency contract for financial advisory services had been executed (see Attachment 3). The reasons stated appear to be: 1) to reflect the fact that the principals working on the contract no longer work for GFA, but now work for Public Financial Management, Inc.; and

2) to allow necessary time to undertake the RFP process for financial advisory services. The Scope of Work for the new contract appears to be substantially similar to the original GFA contract. The amount of the contract is not to exceed a total of \$44,000, following specific project amounts shown in Attachment 4. The term of the contract is somewhat confusing. The Executive Officer's letter indicates the contract will run through December 31, 1989. The contract indicates the term is from May 17, 1989 through September 17, 1989.

QUESTIONS AND OBSERVATIONS

Council staff has the following questions and observations:

1. Staff is concerned about the use of the emergency contract approval authority as a basis for approving the contract. The Administration knew as of March 1989, the contract was going to expire on July 24, 1989, allowing five months to run a procurement process to obtain the services.
2. The Metro Code authorizes the Executive Officer to execute emergency contracts following certain procedures. It also requires the Executive to notify the Council of such action "at the Council meeting immediately following adoption of the findings declaring an emergency" (see Attachment 5). The contract file contains a Statement of Need--Declaration of Emergency Contract (see Attachment 6) which has a date on it of June 16, 1989. Did the Executive Officer notify the Council of this contract at its June 22, 1989 meeting?

The contract was signed by the Deputy Executive Officer on July 20, 1989 and by the PFM, Inc., representative on July 28, 1989. Did the Executive Officer notify the Council of this contract at its July 20 or August 10 meeting?

3. Does the District now have a valid contract for financial advisory services? It appears the emergency contract has expired. Is the Administration going to amend the contract to extend it to December 31, 1989?
4. In regard to the proposed RFP, "cost" is to be 25% of the evaluation criteria. How will this work for this RFP--will proposers quote certain amounts for the various projects identified in Section III or will they quote rates for the various people assigned to the project?
5. To avoid any question that this is a multi-year contract which requires Council approval, staff recommends that Section I in the proposed RFP be changed to reflect that the term of the contract is three years.

Contracts List

FY 1989-90 CONTRACTS LIST New Contracts

| CONTRACT # | VENDOR/DESCRIPTION/ACCOUNT NUMBER | TYPE DURATION | TOTAL AMOUNT OF CONTRACT | FY 1989-90 AMOUNT | COUNCIL DESIGNATION |
|--------------------------------|---|--------------------|-----------------------------|----------------------|------------------------|
| FINANCE & ADMINISTRATION | | | | | |
| Materials & Services: | | | | | |
| New | Computer consulting to integrate contract system with 'A' series and to further develop the contracts system 010-045000-524190-00000 | PS 7/1/89-6/30/90 | 5,000 | 5,000 | A |
| New | Financial Advisor 10-41421-524190 | PS 7/25/89-7/24/92 | 45,000 | 15,000 | A |
| BUILDING MANAGEMENT FUND | | | | | |
| Materials & Services: | | | | | |
| New | Security Service 513-41414-524190 | L&M 8/1/89-7/31/90 | 14,000 | 14,000 | A |
| SOLID WASTE OPERATING FUND | | | | | |
| Operations | | | | | |
| Materials & Services: | | | | | |
| New | Engineering services for annual report 530-312310-524190 | PS 7/89-6/91 | 200,000 | 100,000 | A |
| New | Metro South Operations Contract (re-bid) 530-312430-526610 | L&M 1/90-1/95 | 10,000,000 | 930,000 | A |
| Systems Planning & Engineering | | | | | |
| Materials & Services: | | | | | |
| New | Household Hazardous Waste Days Vendor to organize, conduct and dispose of material 530-314400-524190 | PS 7/89-6/90 | 500,000 | 500,000 | A |

ATTACHMENT 1
(Cont. Memo on Res. No. 89-1147)

EXHIBIT C
Ordinance No. 89-287 A

AMENDMENT NO. 2

The Contract between the Metropolitan Service District, hereinafter referred to as "METRO" and Government Finance Associates, Inc., hereinafter referred to as "CONTRACTOR", dated the 24th day of July, 1986, for the purposes of providing financial advisory services, is hereby amended to revise the Scope of Work as follows:

II. Scope of WorkC. Other Financial Advice

Government Finance Associates, Inc. (GFA) will provide general staff support to the Metropolitan Government Finance Committee over the period of one year. GFA will be responsive to the requests of the Committee members, subject to the approval of Metro's Director of Finance & Administration.

Currently identified tasks shall include:

- 1) A summary of outstanding debt in the metropolitan area. This will include a list of overlapping and underlying outstanding bond issues by other jurisdictions within the metropolitan area. From this information the total debt burden of the area can be determined, as well as some measure of additional debt capacity.
- 2) A summary of proposed bond, tax base and levies outside the six percent limitation derived from budget documents filed with the State Department of Revenue.
In conjunction with Task 1, GFA will research additional tax proposals facing the region. Such proposals will include increases related to new bond issues, operating and capital levies, and tax base increases. To the extent that such proposals are approved, the financing capacity of the region is marginally diminished.
- 3) A mapping of consolidated tax rates versus general indices of wealth.
A visual depiction of the tax rates versus wealth index will provide an indication of the tax burden facing different areas in the metropolitan region. Such a map will show a spectrum of affordability of

tax burdens.

- 4) A listing of potential revenue sources and the existing authority, or need to obtain authority.
New revenue sources are constantly being evaluated and implemented by municipal governments. GFA will perform a reconnaissance of developing revenue sources and evaluate the legal ability of entities in Oregon to secure such sources.
- 5) General descriptions of the taxation and budget systems of Oregon.
GFA will provide an overview of taxation and budget systems and strategies practiced by other governments around the State. This effort will be focused primarily on larger and multi-jurisdictional entities.

The total contract value will increase \$21,710 (twenty one thousand seven hundred ten dollars) from \$255,000 to \$276,710. The termination date of the contract will be extended from July 24, 1989 to January 31, 1990 to complete the scope of work authorized herein. All of terms of the Contract remain in full force and effect.

DATED this 31st day of January, 1989.

GOVERNMENT FINANCE ASSOCIATES

By: _____

Date: _____

METROPOLITAN SERVICE DISTRICT

By: _____

Date: _____

c:\kr\res\finance\amend

**METRO**2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: August 17, 1989

TO: Mike Ragsdale, Presiding Officer

FROM: Rena Cusma, Executive Officer *R. Cusma*

REGARDING: EXECUTION OF EMERGENCY CONTRACT

The Metropolitan Service District has contracted with Government Finance Associates, Inc (GFA) to provide financial services on a variety of projects since July 1986. During May, 1989 Government Finance Associates experienced a period of growth and reorganization. As a result, the Portland office of GFA was eliminated. The closest branch office is now San Francisco.

The professional staff of the Portland branch of Government Finance Associates have formed a new office in the area under the name Public Financial Management, Inc. It is very important to the projects currently in progress to maintain the continuity of professional financial advisors. The staff of Public Financial Management have in-depth knowledge of Metro, its background and structure, and being a local firm, are immediately accessible.

I have executed an emergency contract with Public Financial Management, Inc. for the period through December 31, 1989. This contract will provide the continuity in financial advisors needed for the current projects and will allow the necessary time to prepare and proceed with a formal Request for Proposal process for financial advisor services.

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PFM Scope of Work
6/19/89
Page 4

Contractor will not charge for miscellaneous fees other than those directly related to the issuance of debt. Likewise, it is not anticipated that there would be any miscellaneous fees for services outside of the normal scope of duty.

The following are maximum not-to-exceed charges by project:

| | |
|---|---------------|
| Debt Administration and General Advice | \$ 5,000 |
| Metropolitan Government Finance Committee | 14,000 |
| Metropolitan Exposition Recreation Commission | 15,000 |
| Resource Recovery Facilities | <u>10,000</u> |
| TOTAL CONTRACT NOT-TO-EXCEED AMOUNT | \$44,000 |

G. Billings

Billings must include a detailed breakdown by project of costs being billed (personnel used, number of hours, rate and total for each task, for example). These should be detailed by the tasks as outlined in this Agreement.

Billings should be submitted to:

Mr. Ray Phelps
Director of Finance & Administration
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

The term of this agreement shall cover the period between May 17, 1989 and enactment of a new long-term contract between Metro and its financial advisor selected for the contract period.

It is understood that Metro wishes to proceed with a formal RFP process and then to select a financial advisor for a specified term. It is understood that the terms and conditions of this agreement will cease as soon as that selection has been made and all obligations under this agreement have been satisfied. It is understood that the term of some of the projects may extend beyond the selection period for a new financial advisor; however, this agreement will cease upon that new selection and all materials relating to the project will be provided, after payment of accrued charges, to the new advisor.

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6/21/89

Sec. 2; amended by Ordinance No. 87-223, Sec. 1; amended by Ordinance No. 88-249, Sec. 2)

2.04.050 Personal Services Contracts, General Provisions:

(a) Distinguishing Between Employees and Independent Contractors: Employees shall not be hired under the guise of a Personal Services Contract. To determine whether a particular worker is to be an employee or an independent contractor, the most important factor to consider is the employer's right to control. If the employer is to retain the right to control the manner and means of accomplishing a desired result, the worker is generally considered an employee; if, however, the employer has the right to control only the results of the work, the worker is considered an independent contractor. This test of control does not require actual exercise of control, but rather the employer's right to control. The following factors shall be considered in determining a worker's status:

- (1) Whether the worker is to be engaged in a distinct occupation or business. Independent contractor status is often accorded those who are engaged for their special skills. Thus, the hiring of an architect, broker, doctor, painter or attorney may indicate that an independent contractor relationship is being contemplated.
- (2) Whether the employer or the worker is to supply the instrumentalities, tools and the place of work.
- (3) Whether the worker or the employer is to have the power to dictate the particular manner in which the instrumentalities or tools shall be used and the way the workers shall do their work.
- (4) Whether the worker employs, pays and has full power of control over assistants.
- (5) Whether the work is part of the regular business of the employer.

(b) An emergency contract for personal services may be let without obtaining quotes in writing when the Executive Officer makes written findings that an emergency exists because of circumstances which could not have been reasonably foreseen and requires the prompt execution of a contract to remedy that condition. The Executive Officer shall inform the Council of all such contracts declared to be an emergency at the Council meeting immediately following the adoption of findings declaring an emergency.

STATEMENT OF NEED

DECLARATION OF EMERGENCY CONTRACT

Since July 24, 1986, the Metropolitan Service District has contracted with Government Finance Associates, Inc. to provide financial services on a variety of projects ranging from Convention Center General Obligation bond issuance to general financial advise. During the period of the contract, the professional staff of the Portland Office of GFA has provided a high level of professional quality services. They have an in-depth familiarity with the structure of Metro as an agency, are highly knowledgeable in governmental funding requirements, in particular Metro's requirements and history, and have performed extensive research related to Metro's current projects. In addition, being a local firm, have been immediately available and easily accessible to provide the services required.

During May, 1989, Government Finance Associates, Inc. experienced a period of growth and reorganization. As a result, the Portland Office of Government Finance Associates has been immediately eliminated. The closest GFA branch office is now San Francisco.

The professional staff of the Portland branch of GFA has formed a new office in the area under the name Public Financial Management, Inc. It is very important to the projects currently being undertaken to maintain the continuity of professional financial advisors. The contributing factors to this continuity are the in-depth knowledge of Metro, its background and structure, as well as the local accessibility of the firm.

An emergency contract with Public Financial Management is being prepared for a period of four months. This contract will provide the continuity in financial advisors needed for the current projects and will allow the necessary time to prepare and proceed with a formal RFP process for financial advisor services.

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6/19/89