

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 91-1392A
THE RELEASE OF AN RFP FOR)	
METRO'S AUDIT AND TAX SERVICES)	Introduced by Rena Cusma,
FOR FISCAL YEARS 1991, 1992,)	Executive Officer
AND 1993		

WHEREAS, The Metropolitan Service District (Metro) is required by ORS 297.465 to have an annual audit of the District's financial statements; and

WHEREAS, The Tax Reform Act of 1986 requires Metro to calculate arbitrage rebate on bonds the District has issued; and

WHEREAS, The contract with KPMG Peat Marwick will expire on April 28, 1991; and


WHEREAS, The request for proposal for audit and tax services has been subjected to Metro's internal review procedures; and

WHEREAS, The contract is subject to Council approval pursuant to Metro Code 2.04.033;

BE IT RESOLVED,

The Council of the Metropolitan Service District hereby authorizes the Request for Proposal for Audit and Tax services for Fiscal Years 1991, 1992, and 1993 attached as Exhibit A hereto to be issued by the Finance and Administration Department.

ADOPTED by the Council of the Metropolitan Service District this 24th day of January, 1991.



Jim Gardner, Deputy Presiding Officer

DEPARTMENT OF FINANCE & ADMINISTRATION
METROPOLITAN SERVICE DISTRICT

REQUEST FOR PROPOSALS
FOR
INDEPENDENT AUDIT AND TAX SERVICES

Neil Saling
Acting Director of Finance & Administration

Jennifer Sims
Financial Services Manager

Donald R. Cox, Jr.
Chief Accountant

December 31, 1990

NOTICE OF REQUEST FOR PROPOSAL

Summary

Requesting Entity:

Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

Contact Person:

Donald R. Cox, Jr., CPA
Chief Accountant
Phone: (503) 220-1161

Response Due Date:

-----, 1991
at 5:00 p.m. PST in
Metro's business offices
2000 S.W. First Avenue,
Portland, Oregon

Number of Copies of Response:

Seven (7) copies of the firms
proposal shall be submitted.

Contract Period:

March 1, 1991 - February 28,
1993

Nature of Work to be Performed:

Examination of financial
statements for fiscal years
ended June 30, 1991, 1992 and
1993 (and at Metro's option,
tax services for items
required by the Tax Reform Act
of 1986 as amended)

METROPOLITAN SERVICE DISTRICT

REQUEST FOR PROPOSAL

INDEPENDENT AUDIT AND PROFESSIONAL TAX SERVICES
FOR THE PERIOD MARCH 1, 1991 -- FEBRUARY 28, 1993

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REQUEST FOR PROPOSAL
FOR
INDEPENDENT AUDIT SERVICES

(and professional services in tax matters)

I. INTRODUCTION

The Finance & Administration Department of the Metropolitan Service District (Metro) invites qualified independent certified public accountants to submit proposals to examine Metro's annual financial statements for the fiscal years ending June 30, 1991, 1992 and 1993, as well as providing certain tax services to Metro. A pre-proposal conference is scheduled for -----, at 2:00 p.m. in the Council Chamber at Metro's business offices, 2000 S.W. First Avenue, Portland, Oregon.

Metro hereby solicits your firm's proposal in accordance with the terms and conditions of this RFP and requests that it be submitted to Donald R. Cox, Jr., Chief Accountant, 2000 S.W. First Avenue, Portland, Oregon 97201-5398. Proposals will be due on January 31, 1991, at 5:00 p.m. (PST). Details concerning these projects and proposal are contained in this document. Metro has budgeted \$19,500 for this contract in FY 1990-91. The remainder of the audit and tax service fees will be paid from the FY 1992 budget which is currently being developed.

Purpose and Objective

The purpose and objective of this RFP is to obtain technical and cost proposals, covering fiscal years 1991, 1992 and 1993 from qualified independent certified public accounting firms. Our objective is to select the firm best qualified to provide:

1. Examination of the financial statements for Metro as required under generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations;
2. "Single Audit" covering Metro's federal, state and local grants for each year as required by the Uniform Single Audit Act of 1984 and OMB Circular A-128;
3. Technical assistance to Metro personnel on various accounting and reporting questions; and
4. Preparation of tax returns (forms) and arbitrage calculations as required by the Internal Revenue Code as it relates to bond proceeds (allowable yield/rebate) and other tax matters.

The firm recommended by the selection committee will be forwarded to the Executive Officer for her recommendation which will be carried to the Metro Council.

II. DESCRIPTION OF METRO AND RECORDS TO BE AUDITED

Organization and Operation

The Metropolitan Service District was organized under the provisions of Oregon Revised Statutes (ORS) chapter 268 to make available in the Portland metropolitan area public services not adequately available through previously authorized governmental agencies. Subject to the limitations of state law, Metro may provide the metropolitan area aspects of sewerage, solid and liquid waste disposal, control of surface water, public transportation and zoo facilities. ORS chapter 268 further allows the District to acquire, construct, alter, maintain, administer and operate major cultural, convention, exhibition, sports and entertainment facilities. It may also provide local area aspects of those public services that are transferred to the District by agreement between Metro and other public corporations, cities or counties. Formation of the District, which includes parts of Clackamas, Multnomah and Washington counties, was approved by voters within the District on May 26, 1970.

The 1975 Oregon Legislature expanded ORS chapter 268 to include operations and maintenance of zoo facilities. As a result of this legislation and the passage of a special tax levy, Metro began operation and funding the Washington Park Zoo as of July 1, 1976. This was accomplished by the assumption of the assets and liabilities of the Portland Zoological Society, with the Society providing sufficient funds to pay past liabilities. In addition, pursuant to an agreement effective July 1, 1976, the City of Portland transferred ownership of land, buildings, animals and other assets related to the Zoo, except for a railroad line and equipment subject to a perpetual lease agreement, to Metro.

By a vote of the electorate on May 23, 1978, as provided for by chapter 665, Oregon Laws 1977, the Metro Council was expanded to consist of 12 part-time councilors, each elected on a non-partisan basis from a single subdistrict. Additionally, approval was also granted, effective January 1, 1979, to abolish the Columbia Region Association of Governments and transfer its planning activities to Metro.

By vote of the electorate in November 1986, the District was authorized to finance, construct and operate a regional convention center. The Oregon Convention Center was completed and began operations in September 1990. Effective July 1, 1990, Metro, under the provisions of an intergovernmental agreement with the City of Portland, took over management responsibilities for the Memorial Coliseum, Civic Stadium and Portland Center for the Performing Arts. These activities, including the Convention Center, are operated by Metro's Metropolitan Exposition-Recreation Commission.

Included in the District's combined financial statements are all activities and organizations with which the District exercises

oversight authority as demonstrated by financial interdependency and/or authoritative appointment of governing authority.

The District has one component unit-the Metropolitan Exposition-Recreation Commission (MERC), as related to Oregon Convention Center operations. Additional potential component unit activities is that of MERC's Spectator Facilities Fund, MERC Management Pool Fund, and the PCAA Capital Fund.

The Metropolitan Exposition-Recreation Commission and the Consolidation agreement between Metro and the City will require a separately issued Component Unit Financial Report (CUFR), which must be made available to the City of Portland no later than September 30, of each year under the terms of the intergovernmental agreement. To assist each audit firm in submitting their proposal, the consolidation agreement has been included in this request for proposal. The opinion of Metro's Accounting staff under current authoritative guidance is that activities accounted for in the Spectator Facilities and MERC Management Pool Fund be reported as a Fiduciary Fund Type in Metro's financial reports as they constitute an Enterprise Fund and component unit of the City of Portland under Phase I of the consolidation process.

Metro as a financial and economic unit is presented in financial statements consisting of several funds and account groups. The financial statements are prepared to conform fully with generally accepted accounting principles (GAAP) and to be in compliance with the pronouncements of the GASB and/or the Financial Accounting Standards Board (FASB) as appropriate. The auditor's opinion will be directed toward the fairness of presentation of the financial statements in accordance with GAAP. The auditor will also provide compliance reports as required under federal and state laws.

Funds and Account Groups

The following table provides a complete listing of the funds and account groups used by Metro in fiscal year 1991.

<u>Fund Category</u>	<u>Generic Fund Type</u>	<u>Fund</u>	<u>Budgetary Funds</u>	<u>GAAP Basis*</u>
Governmental Funds	General Fund	General	General	Modified Accrual
	Special Revenue Funds	Zoo Fund	Zoo Operating	Modified Accrual
		Planning Fund		Modified Accrual
		Transportation		Modified Accrual
	Capital Projects Fund	Zoo Capital	Zoo Capital	Modified Accrual
	Debt Service Fund	Convention Center Debt	Convention Center Debt	Modified Accrual
Proprietary Funds	Enterprise Funds	Solid Waste Fund	Solid Waste Revenue Fund	Accrual
			Solid Waste Operating (closing in FY 91)	
			Solid Waste Debt Service (closing in FY 91)	
			Solid Waste Capital (closing in FY 91)	
			Solid Waste Reserve (closing in FY 91)	
		Convention Center Fund	Convention Center Operating Fund	Accrual
			Convention Center Project Management	
			Convention Center Project Capital	
		Building Mgmt. Fund	Building Mgmt. Fund	Accrual
		Insurance Fund	Insurance	Accrual
	Internal Service Funds	Support Services Fund	Support Services Fund	Accrual

<u>Fund Category</u>	<u>Generic Fund Type</u>	<u>Fund</u>	<u>Budgetary Funds</u>	<u>GAAP Basis*</u>
Fiduciary Funds	Expendable Trust Funds	St. Johns Rehabilitation and Enhancement Fund	St. Johns Rehabilitation and Enhancement Fund	Modified Accrual
	Pension Trust Fund	Pension Trust Fund	(not budgeted)	Accrual
	Agency Fund	Spectator Facilities Fund	Spectator Facilities Fund	Accrual
		MERC Management Pool Fund	MERC Management Pool Fund	Accrual
		PCPA Capital Fund	PCPA Capital Fund	Accrual
General Long-Term Debt Account Group	----	----	----	----
General Fixed Asset Account Group	----	----	----	----

*For budgetary purposes, all funds are presently accounted for on the modified accrual basis.

Financial Activity

The current financial system permits recording of budget records and encumbrances in the accounting records (General Ledger). These records are maintained on the EDP system for reporting purposes (e.g., line-item budget to actual reports). Metro currently maintains two checking accounts: 1) accounts payable and 2) payroll (which is a "zero-balance account"). In addition, investments are made with various Oregon financial institutions (certificates of deposit, U.S. Treasury Securities, etc.) in accordance with Metro Code and state law. Monies for construction of the Oregon Convention Center are invested and monitored through an investment trust agreement with First Interstate Bank of Oregon, N.A. First Interstate Bank of Oregon maintains the following sub-accounts on Metro's behalf: 1) General Obligation Bond Proceeds account; 2) City Bond Proceeds account; 3) State Grant Proceeds account; 4) Debt Service account; and 5) Rebate account. A similar number of accounts are maintained for the Metro Northwest Transfer Station and Metro/Reidel Compost Project Revenue bonds. In addition to the above accounts, MERC maintains various checking, vault and other cash accounts used for their operations.

Metro's bond registrar and paying agent is Chase Manhattan Bank. Metro's co-registrar and co-paying agent on all bonds is First Interstate Bank of Oregon, N.A. Metro receives dedicated property tax revenue for bonded debt service and a tax base for zoo operations from three counties -- Multnomah, Washington and Clackamas -- and has receivable accounts for each. Metro employs approximately 1200 people during a fiscal year.

Other Systems, Records and Procedures

- Metro's written investment policies were adopted in the form of an ordinance forms the basis of an investment policy document.
- Fixed asset procedures were developed in FY1983-84. This system has not been fully implemented due to limited staff resources.
- All major systems, except for manual records maintained by MERC staff, are computerized (payroll, accounts payable, accounts receivable, general ledger, financial reporting), but each function maintains certain manual tasks as well. Certain systems are currently not integrated on the EDP system. (e.g. purchasing/ contracts).
- No internal audit staff currently exist. Internal audit functions are currently carried out by the existing Accounting staff as resources permit. All required audit workpapers and reports are prepared by the Accounting Division staff, except certain items prepared by MERC staff as required to successfully process audited financial information to the City of Portland.

- MERC maintains a separately operated accounting function which monitors the financial operations of MERC and processes documentation and transactions through Metro's Accounting Section for budget purposes.
- Organizational charts for the Finance & Administration Department, Financial Services Division, Accounting Section, MERC Administration have been included in Appendix C.

Reports Available

The Annual Financial Report for the Metropolitan Service District for the fiscal year ended June 30, 1990, is available upon request (as are the Schedule of Federal Financial Assistance and reports required by the Single Audit Act and management letter). Any of the above reports for years ended prior to June 30, 1990, are available for examination at the Chief Accountant's office.

The adopted budget for FY 1991 is available upon request. Contact the Chief Accountant for copies.

III. PROPOSED SCOPE OF WORK/SCHEDULE

Metro is seeking proposals from qualified firms to perform the following services and to deliver the products described:

- A. Audit Services -- the auditor shall examine the financial statements of all Metro funds and account groups; assist in preparation of, type and print the annual financial reports; and include an opinion in those reports regarding Metro's financial statements:

Reports Required -- The following reports are expected at the completion of the audits and in the quantities, form and times indicated.

1. Comprehensive Annual Financial Report (CAFR) of Metro

A report on the examination of the combined financial statements and related notes thereto, and auditor comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

The combining, individual fund and account group financial statements and schedules, as listed in the supplementary data section of the 1989-90 CAFR, are to be examined "in relation to" the general purpose financial statements.

The audit firm shall submit preliminary drafts of the CAFR, including auditor comments and disclosures required by the Minimum Standards for Audits of Municipal Corporations, by October 15 of each year for review.

The audit firm shall print and assemble the Comprehensive Annual Financial Report and deliver to Metro 200 copies of the report by November 15 of each year.

2. Report on the Single Audit

A report on the results of a single audit of Metro's grants-in-aid is required by the Uniform Single Audit Act of 1984 and OMB Circular A-128, "Audits of State and Local Governments." Metro's Accounting staff will provide a schedule of grant activity and a draft schedule of Federal Financial Assistance; however, the audit firm is expected to type and print the Schedule of Federal Assistance reconciled to Metro's financial statements.

The audit firm shall submit two preliminary drafts of the single audit report by October 15 of each year for review and comment. The audit firm will prepare and deliver 150 copies of the final report no later than November 15 of each year.

The report on the single audit shall include at least:

- a. The audit firm's opinion on the financial statements and the Schedule of Federal Assistance. The Schedule of Federal Assistance shall show total expenditures for each federal assistance program as identified in the Catalog of Federal Domestic Assistance, and all other federal programs and grants which have not been assigned catalog numbers;
- b. The audit firm's report on the study and evaluation of internal control systems. The report must identify Metro's significant internal accounting controls, and those controls designed to provide reasonable assurance that federal programs are being managed in compliance with applicable laws and regulations. This report must also identify those controls which were not evaluated, and any material weaknesses identified as a result of the evaluation; and
- c. The audit firm's report on compliance containing:
 - (1) A statement of positive assurance with respect to those items tested for compliance including compliance with laws, rules and regulations pertaining to non-major programs and other items which could have a material effect on financial reports and claims for advances and reimbursements. In addition, the firm's report must disclose whether Metro has complied with laws and regulations that may have a material effect on each major federal assistance program;

- (2) A statement of negative assurance on those items not tested;
- (3) A summary of all instances of noncompliance;
- (4) An identification of total amounts of costs questioned, if any, for each federal assistance award, as a result of noncompliance; and
- (5) Other statements or reports to satisfy state and local governments' requirements.

If the audit firm finds indications of fraud, waste and illegal acts, or questioned costs, a separate written report to the funding agency is required.

3. Special Issue Financial Report for MERC financial activities related to the Spectator Facilities Management Pool and PCPA Capital Funds, prepared on an Enterprise basis. This report must be reconcilable to Metro's CAFR.
4. Management Letter(s)

The engagement should include recommendations to management, prepared by the audit firm in letter form, which include any findings, observations, opinions, comments or recommendations relating to internal control, accounting systems, data processing, compliance with laws, rules and regulations, or any other matters that come to the attention of the auditor during the course of the examination. Such recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with the study of internal control systems and procedures as a part of an examination of financial statements. The recommendations will be discussed with the appropriate oversight unit and Metro's officials prior to publication.

The discussion draft shall be submitted by October 31 of each year. Seventy five copies of the final letters will be required no later than November 15 of each year.

5. Secretary of State Summary of Revenues and Expenditures

The audit firm shall prepare the Summary of Revenues and Expenditures required by the Secretary of State for the State of Oregon and deliver the report to Metro no later than November 15 of each year.

GFOA Certificate of Achievement -- Metro is looking toward preparing a Comprehensive Annual Financial Report which will receive the Government Finance Officer's Association Certificate of Achievement for Excellence in Financial

Reporting indicating the report not only complies with generally accepted accounting principles and applicable legal requirements, but is also easy to read, efficiently organized and conforms to program standards.

Metro has never prepared such a report. It is the staff's intent to strive for submitting such a report in fiscal year ended June 30, 1991, and seeks audit firm assistance in achieving this objective.

Technical Assistance -- As a part of the overall audit contract, Metro expects to receive from the audit firm a variety of technical assistance throughout the fiscal year. This assistance would include answers to accounting, reporting or internal control questions.

Additional Services -- Proposals shall contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

In addition, the audit firm may be requested to perform special projects for Metro during the year. Because of variations in the demand for additional services, such work will be contracted for, provided and billed separately to Metro on an hourly basis. Proposals should describe the types of services available from the firm and the standard hourly fees to be charged for such services.

B. Tax Services

Metro has issued \$65,000,000 in General Obligation Convention Center bonds and in excess of \$60,000,000 in Solid Waste System revenue bonds which are subject to the new rebate requirements under the Tax Reform Act of 1986. The firm selected to perform tax services for Metro will be required to:

1. Calculate the allowable yield on investments.
2. Calculate the rebatable amount and report this figure to Metro and its trustee for the appropriate tax year, as well as the estimated liability at June 30, of each year for inclusion in Metro's Annual Financial Report.
3. Verify all Form 8038G which has been filed as required by law.
4. Assist in monitoring compliance by Metro in filing other required forms, such as the 8038GC and assist in their preparation.
5. Advise Metro staff on any bond-related tax issues.

6. Provide a variety of technical assistance throughout the year. This assistance would include answers to tax-related issues.
7. Proposals shall contain provisions for dealing with extraordinary circumstances discovered during tax work that may require an expansion of tax work beyond that work which was originally planned.
8. In addition, the firm selected to perform tax services may be requested to perform special projects for Metro during each year. Because of variations in the demand for additional services, such work will be contracted for, provided and billed separately to Metro on an hourly basis. Proposals should describe the types of services available from the firm and the standard hourly fees to be charged for such services.

C. Audit/Tax Contracts

Contract Period -- The audit and tax contract(s) will be for a period of three (3) years, March 1, 1991, through February 28, 1993. The successful proposer shall be required to sign Metro's standard Personal Services Agreement (Appendix D) along with the negotiated Scope of Work.

Prime Contractor Responsibilities -- Metro will negotiate and contract only with the successful audit/tax firm. The proposer shall have the responsibility to carry out the contract and shall be the only entity recognized to receive payment from Metro.

D. Mandatory Requirements

Audit Standards and Scope -- Each examination shall be made in accordance with Generally Accepted Auditing Standards, promulgated by the American Institute of Certified Public Accountants; the Minimum Standards for Audits of Oregon Municipal Corporations promulgated by the Secretary of State; Standards for Audit of Governmental Organizations, Programs, Activities and Functions, promulgated by the U.S. General Accounting Office; the Uniform Single Audit Act of 1984; OMB Circular A-128, Audits of State and Local Governments; Oregon and local laws and regulations; and consider the comments received from the GFOA Certificate of Achievement review, as appropriate.

All staff assigned to the engagement must have a minimum of a bachelors's degree in accounting or related subject area and must be properly supervised. The scope of each audit should be planned so as to preclude the necessity for exceptions arising from scope limitations and should be sufficient to enable the auditor to issue management letters. The scope of the audits as detailed in a formal Audit Plan, will be reviewed by Metro's Finance & Administration staff.

Matter of Public Record -- Final reports covering examination of financial statements, compliance with grant programs, and management letters will be a matter of public record. Copies of all management letters, together with Metro's response to such letters, may be forwarded to municipal bond rating agencies and other interested parties.

The audited financial statements may appear in all official statements or other documents covering the sale of Metro securities. A copy of a recent offering statement is available for review at Metro's offices.

Reporting Deadlines -- Metro's audited financial statements shall be submitted to the Secretary of State no later than December 31 after the June 30 fiscal year end.

E. Meetings and Progress Reports

1. Commencement of Work

Pre-audit conferences with Metro staff (and possibly Council) will be held no later than May 15, to discuss audit schedules. The audit firm will commence the audit at a mutually agreeable date (Metro's preference is for final full field work to begin approximately the third week of August).

2. Progress Reports

The audit firm and Metro management shall meet periodically to discuss audit-related problems (issues). At a minimum, monthly meetings will be held during the course of the audit engagement to report on the progress of the audit. The audit firm is expected to consult on accounting policy issues and render financial advisory services as deemed necessary. Any unusual conditions encountered during the course of the examination where services of the audit firm must be extended beyond the normal work anticipated will require written notification to the Chief Accountant and Financial Services Manager prior to the commencement of work.

3. Exit Conferences

Post-audit conferences to review the various reports and financial statements will be held with the Director of Finance & Administration, Financial Services Manager, Chief Accountant and other appropriate Metro officials. In regard to special reports required by the Metropolitan Exposition Recreation Commission, meetings with appropriate staff will be expected.

4. Council and Commission Meetings

Audit firm management shall be present at any meetings of the Metro Council and Metropolitan Exposition Recreation Commission when matters regarding the audit or related reports are discussed. Meetings with individual Councilors, Commissioners or managers may also be requested.

5. Meetings in Relation to Tax Matters

The firm performing tax services will attend meetings with appropriate Metro staff to explain procedures, requirements and forms or schedules prepared by the firm to enable Metro staff to gain an understanding of the requirements (etc.).

F. Work Products

Metro is responsible for closing the books, preparing trial balances, reconciling bank accounts and all other general ledger accounts performing other management functions. A detailed description of support and services to be provided to the auditor by Metro and MERC staff is included in Appendix B.

Metro currently has Zoo concession inventories of approximately \$180,000, for which a physical inventory is taken June 30 of each year by Zoo staff and an outside inventory firm. The audit firm will be responsible for inventory observation at no additional cost, if the audit firm deems it necessary.

Materials and working papers developed during the engagement will be maintained for a minimum of three (3) years from the date of the audit report and will be made available for examination by authorized representatives of the Cognizant Federal Audit Agency, the U.S. General Accounting office and Metro.

IV. PROPOSAL SUBMISSION REQUIREMENTS

General Information

A. Requesting Agency

Metropolitan Service District

B. Metro Contact

Donald R. Cox, Jr., CPA
Chief Accountant
2000 S.W. First Avenue
Portland, Oregon 97201-5398
(503) 220-1161

Submission Requirements

1. Proposal Deadlines

Proposals will be accepted until 5:00 p.m., PST, -----1991, at the office of the Chief Accountant, 2000 S.W. First Avenue, Portland, Oregon 97201-5398. Postmarked proposals are not acceptable. All proposals are to be clearly labeled "Annual Audit and Tax Services." Proposals are to include a "Technical Proposal" and a "Fee Proposal." The "Technical" and "Fee" proposals are to be submitted in separate, sealed envelopes clearly labeled. Seven (7) copies of each proposal are required.

**DELIVERY IS THE SOLE RESPONSIBILITY OF THE PROPOSERS.
PROPOSALS RECEIVED (POSTMARKED) AFTER THE DATES INDICATED
ABOVE WILL BE RETURNED.**

2. Multiple Proposals

No more than one proposal may be submitted by each firm.

3. Independent Price Determination and Guidelines

By submission of the proposal, the audit firm certifies that price offerings have been arrived at independently.

4. Proposal Procedure Questions and Requests

Any audit firm requiring further clarification of the proposal procedures contained herein should submit specific questions in writing by -----, 1991 to the Chief Accountant. A written response will be provided by -----, 1991, to those questions which are deemed appropriate. The response will be in the form of an addendum and will be sent to all firms in receipt of this RFP.

5. Accounting System Questions and Requests

Any audit firm requiring further clarification of accounting or data processing system information contained herein should submit specific questions or requests in writing no later than -----to the Chief Accountant.

A written response will be provided by ----- to those questions which are deemed appropriate. The response will be in the form of an addendum which will be sent to all firms in receipt of this RFP.

6. Signing of Proposals

The submission and signature of a proposal shall indicate the intention of the audit/tax services firm to adhere to the provisions described in this RFP.

Proposal Activities

1. Timetable

<u>Events</u>	<u>Dates</u>
Release of Formal RFP	-----
Pre-proposal Conference	-----
Proposals Postmarked/Received by	-----
Notification of Finalist(s)	-----
Presentations (optional)	-----
Appointment of Auditor not later than	-----

2. Pre-Proposal Conference

A pre-proposal conference will be held at 2:00 p.m. on -----
-----, in Metro's Council Chamber,
2000 S.W. First Avenue, Portland, Oregon. Metro and Metro
E.R. Commission staff will be available to answer questions
regarding the accounting system, work papers to be prepared
by Metro staff, the year-end closing timetable and the bid
process.

Attendance at this conference is mandatory. Please notify
the Chief Accountant if you plan to attend.

3. Presentations

At the option of the Audit/Tax Services Selection Committee,
certain firms may be required to make a presentation of their
proposal. This presentation will provide an opportunity to
clarify or elaborate on the proposal, but will in no way
provide an opportunity to change the fee originally proposed.
The Chief Accountant will schedule the time and location of
these presentations (if necessary) and notify the selected
firms.

4. Appointment of Audit/Tax Services Firm

The Auditor/Tax Services Selection Committee will make a
recommendation to the Executive Officer. The Executive
Officer will then make a recommendation for contract award.
This award is expected to take place in mid to late March
1991. All firms submitting a proposal will be notified in
writing of the recommendation and award of contract.

Other Conditions and Requirements

1. Restrictions on Contact

From the issue date of the RFP until a proposal is selected,
all contact with Metro employees concerning the RFP must be
cleared through the Financial Services Manager or Director of
Finance & Administration.

2. Independence

The American Institute of Certified Public Accountants' Rules on Independence, as interpreted by Metro, requires that assigned partners and principals of the successful audit firm divest themselves of all holdings of Metro indebtedness. To comply with this stipulation, each proposal shall indicate a willingness to conform.

3. Audit Firm Qualifications and Representations

Each audit firm shall complete and duly execute the Audit Form Qualifications and Representation Form (Appendix A) and submit it as part of the proposal.

4. Metro Clarification of Proposals

Metro reserves the right to obtain clarification of any point in a firm's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a proposer to respond to such a request for additional information or clarification could result in rejection of the firm's proposal.

5. Confidentiality

The audit/tax services firm is required not to release any news or make any statements to the public, press, or other media relating to matters pertinent to the audit/tax services contract, or the CAFR, without prior approval from the Director of Finance & Administration.

Except in the case of written questions relating to proposal procedures or technical questions as provided for above, all communications between audit/tax services firms and Metro will be held in strict confidence until an audit/tax services firm is selected and an audit contract and tax services contract are signed.

6. Computer Time

Metro will generally not be able to make computer time available to the auditors. Accordingly, candidates shall consider this in their fee proposal.

7. Basis and Method of Compensation

Proposals shall set forth the hourly rates and the maximum amount of compensation to provide the contracted services for each of the three fiscal years requested. Meetings and out-of-pocket costs shall be considered as part of the proposal amount.

Firms are free to propose whatever method of compensation and payment that will be to the best advantage of both Metro and the firm.

In the event that Metro's ability to raise revenue is severely restricted, it may be necessary to reduce the scope of work and contract amount. **ACCORDINGLY, A NONAPPROPRIATION CLAUSE WILL BE CONTAINED IN THE FINAL AUDIT/TAX SERVICES CONTRACT.**

8. INSURANCE REQUIREMENTS:

The contractor shall provide (from insurance companies acceptable to Metro) General Liability insurance coverage with a combined single limit of not less than \$500,00. Before commencing work under this contract the contractor shall furnish Metro with a certificate of insurance evidencing coverage as specified, naming Metro as an additional insured.

9. Cost of Proposal

This RFP does not commit Metro to pay any costs incurred by any proposer in the submission or presentation of a proposal, or in making the necessary studies for the preparation thereof.

10. Disputes

In case of any doubt or difference of opinions as to the items to be furnished hereunder or the interpretation of the provisions of this RFP, the decision of Metro shall be final and binding upon all parties.

11. Rejection of Proposals

Metro reserves the right to reject any or all proposals received as a result of this request. Proposals may be rejected for one or more of the following reasons or others deemed appropriate by Metro:

- a. Failure of the proposer to adhere to one or more of the provisions established in this RFP.
- b. Failure of the proposer to submit a proposal in the format specified herein.
- c. Failure of the proposer to submit a proposal within the deadline established herein.
- d. Failure to adhere to ethical and professional standards during the proposal process.
- e. Lack of experience or qualifications necessary to perform the services.

12. Notice to Firms Regarding Solicitation

Metro staff are not permitted, by Metro Code, to accept anything of any value greater than \$100 per year from any contractor or potential contractor. This notification is provided so that firms are aware that any business conducted at a luncheon meeting to discuss proposals (etc.) will be at the direction of the Director of Finance & Administration or Financial Services Manager.

13. 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, 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 7 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 times during the period of this agreement, to monitor compliance with the terms of this paragraph and Metro's Disadvantaged Business Program.

14. Validity Period of Proposal

The proposal shall be considered valid for a period of at least 90 days and shall contain a statement to that effect.

Proposal Content and Format

To simplify and expedite the review process, candidates are requested to prepare their proposals in the format specified below. The proposals should consist of two parts -- a technical proposal and a fee proposal. These parts should be submitted at the same time but in SEPARATE SEALED ENVELOPES clearly marked "Technical Proposal" and "Fee Proposal." Seven (7) copies of each proposal are required.

Technical Proposal Format

The Technical Proposal should be arranged in the following format.

Title Page

Include the RFP subject, name of the independent auditor, local address, telephone number, name and title of contact person, date of submission, and the period for which the proposal is effective.

Transmittal Letter

Transmittal letter should be no more than two pages long and include at a minimum:

1. A brief understanding of the audit and tax services to be performed;
2. A positive commitment to perform the services within the time period specified;
3. The names of the persons authorized to represent and legally bind the Proposer for 90 days following proposal submission, their title, address and telephone number (if different from the individual who signs the transmittal letter); and
4. Reference to a sealed envelope that contains the all-inclusive audit services fee for which the audit work will be done and the tax service fee. The fees should not be disclosed elsewhere in the proposal.

Audit/Tax Services Firm's Qualifications and Representations

Include the Audit/Tax Firm's Qualifications and Representations using the format presented in Appendix A.

Audit Services Summary of Audit Firm's Qualifications

1. Identify the audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes describing relevant experience and continuing education for the auditor-in-charge up through the individual with final responsibility for the engagement should be included.
2. Describe the range of activities performed by the local office such as auditing, accounting, tax service or management services and recent local and regional office auditing experience similar to the type work requested.
3. If other audit firms are to participate in the audit, similar information should also be provided for these other firms.
4. Describe the firm's policies and practices regarding peer review, including dates of the most recent review and any significant findings.

Audit Firm's Approach to the Examination

Submit a work plan to accomplish the scope of work defined earlier in this RFP. The work plan should include time estimates (in hours) for each significant segment of the audit and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists (if any) should be described.

For example, the audit work plan for the single audit should completely cover what audit work will be accomplished to allow the auditor to issue:

- a. An opinion report on the financial statements;
- b. A report on the study and evaluation of internal control systems; and
- c. A report on Metro's control systems to assure compliance and whether Metro has complied with laws and regulations that may have an effect on major federal assistance programs.

The audit work plan should demonstrate the audit firm's understanding of the audit requirements of a single audit as specified in OMB Circular A-128 and the audit tests and procedures to be applied in completing the audit plan.

For a financial opinion audit, or financial and compliance audits other than a single audit, the instructions should be tailored to cover the audit work related to the scope of the financial statement audit. If other audit guidelines or regulations are applicable, the audit work plan should satisfy those audit requirements.

Provide a brief statement on the firm's policy for senior staff rotation once assigned to audit Metro.

Report Requirements

Demonstrate understanding of the reporting requirements of Metro and the Metropolitan Exposition-Recreation Commission and its oversight units by providing a schedule which lists the various reports, due dates and quantities to be provided by the audit firm. The specific reports required by OMB Circular A-128 for the single audit should also be listed.

Time Requirements

Provide detailed information on how the audit firm proposes to meet the timelines and reporting deadlines of the engagement. Audit milestones and dates should be provided.

Summary of Tax Services Firm's Qualifications

1. Identify the tax managers, supervisors and other staff who will work on the tax engagement, including staff from other than the local office. Resumes describing relevant

experience and continuing education for the staff assigned should be included.

2. Describe recent local or regional experience in tax matters similar to the type of work requested.

Tax Services Firm's Approach

Submit a work plan to accomplish the scope of work defined earlier in this RFP in regards to the tax matters. The plan should include time estimates (in-house) for each significant segment of the tax work and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists (if any) should be described.

Provide a brief statement on the firm's policy for senior staff rotation once assigned to the work required by Metro.

Filing Requirements

Demonstrate an understanding of the reporting (filing) requirements for Metro in the areas of tax-exempt obligations. Provide a schedule which lists appropriate filings and their due dates.

Time Requirements

Provide detailed information on how the firm proposes to meet the timelines and reporting deadlines of the engagement. Tax milestones and dates should be provided.

References

Provide a list of references (five) for which the audit firm has provided auditing and tax services within the last five years. The list must contain the name of the government, periods (fiscal years) audited, name of government official to be contacted, phone number and address of the government. (See Appendix A, question 10,16, and 17).

Fee Proposal Format

The Fee Proposal should be submitted in a SEPARATE SEALED ENVELOPE clearly identified. The Fee Proposal should list the total hours and dollar amounts for each of the following as well as include and specify out-of-pocket costs to be included in the fee:

	<u>Comprehensive Annual Financial Report for the Metropolitan Service District</u>		<u>Special Report For MERC</u>	
<u>Audit Services</u>	<u>Hours</u>	<u>Dollar Amount</u>	<u>Hours</u>	<u>Dollar Amount</u>
Examination of Annual Financial Report Preparation of the Management Letter				
Staff Assigned:				
Report on the Single Audit				
Printing of 200 Copies of the Comprehensive Annual Financial Report				
Printing of 150 Copies of the Report on the Single Audit				
Printing 150 Copies of the Management Letter				
Printing -----Copies of the Special Financial Report for MERC				
TOTAL AUDIT SERVICES FEE				
<u>Tax Services</u>				
Calculation of Arbitrage Earnings (yield) and Rebate Amount				
Preparation and review of Forms 8038G and 8038GC				
Report to Trustee/Metro Stating Rebate Amount				
TOTAL TAX SERVICES FEE				

Non-Audit/Tax Services

Assistance in achieving the GFOA Certificate of Achievement, and other technical assistance such as answers to accounting, reporting or internal control questions.

TOTAL FEE PROPOSAL

Additional Services

Provide a brief description of any other services that your firm could provide Metro and an approximation of the hourly charge for each such service. Such services would be contracted for on an "as needed" basis to be provided and billed separately.

The fee estimate for additional services should be presented for:

Partners
Managers
Senior staff
Junior staff

V. EVALUATION OF PROPOSALS

Proposals will be evaluated to determine which one best meets the needs of the Metropolitan Service District. After meeting the mandatory requirements, the proposals will be evaluated on both their technical (80 percent) and cost (20 percent) aspects.

Mandatory Requirements

There are two requirements that the audit firm must meet to enable the proposal to be evaluated further:

- The audit firm is properly licensed for public practice as an independent auditor and qualifies as a municipal auditor; and
- The audit firm must meet the independence standards of the GAO Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, ---- revision.

Technical Requirements

The technical evaluation of all qualifying proposals will represent 80 percent of the evaluation process and score. Points to be considered in the technical evaluation include:

- Responsiveness of the proposal in clearly stating an understanding of the work to be performed, demonstrated through an audit/tax work plan and time estimates for each major segment of the work plan;
- Organization and size of the firm, demonstrating the firm's ability to undertake an audit the size of Metro;
- Technical experience of the firm and prior experience with governmental and municipal audits and governmental tax work; and
- Qualifications of staff and consultants assigned to the audit and tax work as demonstrated through resumes stating education, governmental or tax (as applicable) experience, and position with the firm. The firm's policy with regard to rotation of audit/tax staff should also be stated.

Cost Evaluation

The evaluation of the proposed fees will consider the overall cost (audit fees plus out-of-pocket expenses) and the proposed audit hours and overall cost (tax fees plus out-of-pocket) and tax service hours. Both of these factors are important in evaluating the reasonableness of the fee and the proposers' understanding of the audit and tax services time requirements.

The total score resulting from the technical and cost evaluation will guide the selection of the audit/tax services firm. If more than one proposer, based on total scores, appears to be qualified to undertake Metro's audit and tax services, interviews with the Audit/Tax Services Selection Committee may be held before the final selection.

APPENDIX A

METROPOLITAN SERVICE DISTRICT
REQUEST FOR PROPOSAL FOR AUDIT SERVICES

January 15, 1991

PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

The Proposer makes the following statements and representations as part of the proposal:

General Information

1. Name (firm or individual) of Proposer.
2. Address.
3. Federal Employer Identification Number. _____
4. How long have you been in business? _____
5. Are you a corporation? Yes ____ No ____
If yes, please provide the date and state of incorporation, type of corporation, and list the names of all Portland area audit stockholders.
6. Are you a partnership? Yes ____ No ____
If yes, please list names of all Portland area audit and tax partners (identify by service).
7. Number of professional audit staff employed in the Portland area office. _____
8. Number of professional tax staff employed in Portland area office. _____
9. In the preceding five years, has the firm audited at least three different local governments serving populations of 30,000 or more with at least one of these being a special district? Yes ____ No ____

10. Is the firm presently engaged to perform audit services to any other governmental agencies within Oregon or Southwestern Washington? Yes ____ No ____

If yes, please provide the following:

<u>Name of Agency</u>	<u>Fiscal Year End</u>	<u>Contract Period Ends</u>	<u>Number of Audit Professional Assigned</u>
-----------------------	--------------------------------	-------------------------------------	--

11. Does the firm have current experience in assisting audit clients in obtaining and/or retaining the GFOA Certificate of Achievement? Yes ____ No ____

12. Does the firm have current experience in the areas of bonds (tax-exempt) and the tax impacts on local government? Yes ____ No ____

13. Has the firm ever bid or submitted a proposal to Metro under another name? Yes ____ No ____

If yes, please list the name(s) used.

14. Does the firm have any outstanding bids or proposals for contracts with Metro? Yes ____ No ____

If yes, please provide the following:

<u>Subject</u>	<u>Requesting/Department</u>
----------------	------------------------------

15. Does the firm have any current contract awards from Metro?

Yes ____ No ____

If yes, please provide the following:

<u>Subject</u>	<u>Requesting/Department</u>	<u>Amount</u>
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16. Please list no more than five municipal audit clients and/or provide any other information you feel would help the Selection Committee evaluate your firm for this engagement.

17. Please list no more than the five tax service clients and/or provide any other information you feel would help the Selection Committee evaluate your firm for this engagement.

ADDITIONAL REPRESENTATIONS

In addition to the foregoing general information, the Proposer certifies that:

18. The Proposer, if an individual, is of lawful age; is the only one interested in this proposal; and that no person, firm or corporation, other than that named, has any interest in the proposal, or in the contract proposed to be entered into.
19. The Proposer and each person signing on behalf of any Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief:
 - a. The prices in the proposal have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restraining competition as to any matter relating to such prices with any other proposer or with any competitor;
 - b. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Proposer prior to the proposal deadline, either directly or indirectly, to any other proposer or competitor;
 - c. No attempt has been made nor will be made by the Proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restraining trade;
 - d. No Council member or other officer, employee, or person, whose salary is payable in whole or in part from Metro is directly or indirectly interested in the proposal, or in the services to which it relates, or in any of the profits thereof;
 - e. Said Proposer is not in arrears to Metro upon any debt or contract, and is not a defaulter, as surety or otherwise, upon any obligation to Metro, and has not been declared irresponsible, or unqualified, by any department of Metro or the State of Oregon, nor is there any proceeding pending relating to the responsibility or qualification of the Proposer to receive public contracts, except (if none, Proposer will insert "none").
 - f. Said Proposer meets the independence requirements of the American Institute of Certified Public Accountants and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, ---- Revision, published by the U.S. General Accounting Office.

20. The Proposer has examined all parts of the RFP, including all requirements and contract terms and conditions thereof, and if its Proposal is accepted, the Proposer shall execute the proposed contract.
21. The Proposer is duly licensed to do business in the City of Portland and is licensed by the Oregon State Board of Accountancy as a Certified Public Accountant and Municipal Auditor.
22. The Proposer is certified as an EEO Affirmative Action Employer.
23. The Proposer has or will provide for all persons employed to perform the services covered by the proposal, or for any other contract for service, in accordance with Oregon Revised Statutes Section 656.001 to 656.794, either as a:
 - a. Carrier-insured employer, or as a
 - b. Self-insured employer as provided by ORS 656.407.

The Proposer further certifies that evidence of such coverage shall be filed with Metro's Contracts Officer and maintained in effect for the duration of the contract.

24. The Proposer fully understands and submits its proposal with the specific knowledge that:
 - a. The selected proposal must be approved by the Metro Council.
 - b. In the event that the Proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing general terms and conditions provided by the Director of Finance & Administration and the resultant contract must be approved as to form by Metro's Legal Counsel, and approved by the Executive Officer and Metro Council.

The undersigned hereby certifies to the truth and accuracy of all statements, answers and data contained in this proposal and application, and hereby authorizes Metro to make any necessary examinations of inquiries in order to make a determination as to the qualifications and responsibility of the Proposer. The undersigned has examined all parts of the Request for Proposals and understands that it is completely discretionary with the Auditor/Tax Services Selection Committee whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Signature of Proposer

Title

APPENDIX B

METROPOLITAN SERVICE DISTRICT
AUDIT/TAX SERVICES CONTRACTS
Fiscal Year 1991, 1992, 1993

Support and Services to be Provided by Metro Staff

The following work papers are generally prepared by Metro Accounting Section staff:

AUDIT WORK PAPERS

Trial Balances

General Fund

General Fund -- Budget to Actual

Special Revenue Fund:

Special Revenue Combining Trial Balance

Special Revenue Combining Income Statement

Special Revenue Combining Statement of Budgets

Zoo Operating Fund

Zoo Operating Fund -- Budget to Actual

Planning Fund

Planning Fund -- Budget to Actual

Transportation Planning Fund

Transportation Planning Fund - Budget to Actual

Zoo Capital Projects Fund

Enterprise Fund Combining Balance Sheet and Income Statement

Enterprise Fund Combining Statement of Cash Flows

Solid Waste Combining Trial Balance

Solid Waste Statement of Cash Flows

Solid Waste Combining Income Statement

Solid Waste GAAP Conversion Entries

Convention Center Combining Trial Balance *

Convention Center Combining Balance Sheet *

Convention Center Combining Income Statement *

Convention Center GAAP Conversion entries *

Budgetary Basis Trial Balances:

Solid Waste Operating Fund

Solid Waste Budget to Actual

Solid Waste Debt Service Fund

Solid Waste Capital Fund

Solid Waste Reserve Fund

Insurance Fund

Building Management Fund

Convention Center Operating Management/Capital Funds

Building Fund GAAP Conversion Entries

Building Fund Statement of Cash Flows

* Subject to MERC staff assistance in FY 91

Trust and Agency Funds:

- Spectator Facilities Fund *
- MERC Management Pool Fund *
- PCPA Capital Fund *
- Pension Trust Fund
- Pension Trust Fund Activity
- Pension Trust Fund Report Support
- Rehabilitation and Enhancement Fund
- Trust and Agency Combining Trial Balance
- Trust and Agency Combining Statement of Changes
in Assets and Liabilities
- General Fixed Asset Group of Accounts
- General Long-Term Debt Group of Accounts
- Client Adjusting Entries

Cash/Investments -- Lead Schedule (Unrestricted)

- Bank Reconciliations
- Outstanding Check Lists (Operation & Payroll Accounts)
- Deposits in Transit
- Cash Transfers Schedule (June 25 -- July 5)

Cash/Investments -- Lead Schedule (Restricted)

- Restricted Investments -- General Fund
- Restricted Investments -- Zoo Capital
- Restricted Investments -- Solid Waste
- Collateral Requirements Analysis
- Trust Account Lead and Detail Schedules - Convention Center, Debt
Services and Solid Waste Revenue Funds
- Accounts Receivable Lead Schedules (Accounts \$2,000 and 90 days past
due)

- Zoo Inventory Lead Schedule
- General Fixed Assets Summary
- General Fixed Assets Combining Schedule
- Fixed Assets -- General Fund
- Fixed Assets -- Zoo Fund
- Fixed Assets -- Disposals and Transfers
- Fixed Assets -- Planning Fund

Enterprise Fund Fixed Assets:

- Summary of Fixed Assets
- Summary of Additions
- Summary of Deletions
- Outlay Analysis -- Solid Waste Operating
- Outlay Analysis -- by Site
- Depreciation Schedule
- Support for Current Year Contributed Capital and Amortization

* Subject to MERC Staff assistance in FY 91

Payables

A/P Lead Schedule
Lease Payable Schedule
Retainage Payable -- Zoo Capital
Retainage Payable -- General Fund
Retainage Payable -- Enterprise Fund
Post-Closure and Liability Support
Deposits -- Enterprise Fund
Accounts Payable -- Payroll Lead Schedule
Accrued Vacation Summary
Accrued Vacation Supporting Detail
Analysis of Capital Leases
Accrued Interest
Solid Waste Debt Service -- Loans and Bonds Payable Footnote
Support
Interfund Transfers -- Lead Schedule
Property Tax Revenue/Reserve Lead Schedule
Property Tax Transactions
Property Tax Accrual
Calculation of Interest 'In Lieu of Taxes'

Interest Revenue Reasonableness Test
Commercial Disposal Fee Reasonableness Test
Public Disposal Fees Reasonableness Test
Solid Waste Tip Fee Fluctuation Analysis
Solid Waste Disposal Fee Reasonableness Test
Solid Waste Disposal Charges and User Fees
User Fee and Regional Transfer Charge Analysis

Commitments Schedule (contracts)
Solid Waste Quantities -- All Sites

Grants

Summary Schedule -- Grant Activity and End A/R Balance
Grant Billings at June 30
Schedule of Federal Financial Assistance
Revenues/Expenditures by Grant (current year)
Revenues/Expenditures by Grant (from inception)

Schedule of Closed Grants

Schedule of Indirect Costs

EDP and Other Reports

June 30 General Ledger
Detail Transaction Summary of Listing
June 30 Aged Trial Balance
Population Estimate for Oregon Counties/Cities
198X Material Costs (Solid Waste)
Budget Amendments and Supplemental Budget
Affirmative Action Plan
Indirect Cost Rate Proposal

**Fiscal Year Unified Work Program
Budget Hearing Notices**

Metro staff will also perform the following:

- a. Pulling Documents for verification of numbers and information**
- b. Performing physical inventory counts of Zoo concession items.**
- c. Assisting in drafting of the combined financial statements and supplemental schedules.**

Note:

MERC Accounting Staff are currently responsible for preparation of the majority of workpapers related to MERC activities and the initial drafts of MERC's Financial Statements on a GAAP Basis.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 91-1392 FOR THE PURPOSE OF AUTHORIZING THE RELEASE OF THE METROPOLITAN SERVICE DISTRICT'S REQUEST FOR PROPOSAL (RFP) FOR AUDIT AND TAX SERVICES FOR FISCAL YEARS 1991, 1992, 1993

Date: January 9, 1991

Presented by: Jennifer Sims

PROPOSED ACTION

Adoption of Resolution No. 91-1384 would authorize the Finance and Administration Department to issue the request for proposal (RFP) document to firms interested in performing audit and tax services for the District for fiscal years ending 1991, 1992, and 1993.

The contract resulting from this RFP process is identified as "multi-year" contract in the Council-approved Contract List contained in the fiscal year 1990-91 Adopted Budget Document.

FACTUAL BACKGROUND AND ANALYSIS

The contract with KPMG Peat Marwick, who has performed audit and tax services work for the Metropolitan Service District, will expire April 28, 1991.

Annual audits of Metro's financial statements are required by the laws of the State of Oregon (ORS 297.465) and are a sound fiscal practice. Included in this RFP are related tax services for calculating the amount of arbitrage rebate accruing on Metro's various solid waste revenue and Convention Center general obligation bonds.

The RFP document proposed for issuance has been reviewed by Metropolitan Exposition-Recreation Commission staff and has received their approval. In addition, the RFP has been subjected to Metro's internal contract procedure review.

The most significant change in the RFP from those issued previously is the additional audit requirements brought about by the consolidation agreement for Metropolitan Exposition-Recreation Commission activities, including the requirement for a separate audited report to be made available to the City of Portland by September 30 of each year. For informational purposes, the RFP has asked for the fees to be broken down between Metro and Metropolitan Exposition-Recreation Commission related work effort.

BUDGET IMPACT

Audit fees for a particular fiscal year audit cross two fiscal years. The FY 1991 budget includes \$19,500 for this contract, with additional amounts to be requested in the FY 1992 budget request. Adequacy of budgeted amounts will depend upon proposals received and the final contract award.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 91-1392.

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 91-1392A
THE RELEASE OF AN RFP FOR)	
METRO'S AUDIT AND TAX SERVICES)	Introduced by Rena Cusma,
FOR FISCAL YEARS 1991, 1992,)	Executive Officer
AND 1993	

WHEREAS, The Metropolitan Service District (Metro) is required by ORS 297.465 to have an annual audit of the District's financial statements; and

WHEREAS, The Tax Reform Act of 1986 requires Metro to calculate arbitrage rebate on bonds the District has issued; and

WHEREAS, The contract with KPMG Peat Marwick will expire on April 28, 1991; and

WHEREAS, The request for proposal for audit and tax services has been subjected to Metro's internal review procedures; and

WHEREAS, The contract is subject to Council approval pursuant to Metro Code 2.04.033;

BE IT RESOLVED,

The Council of the Metropolitan Service District hereby authorizes the [attached] Request for Proposal for Audit and Tax services for Fiscal Years 1991, 1992, and 1993 attached as Exhibit A hereto to be issued by [Metro's] the Finance and Administration Department. [~~pursuant to Metro Code 2.04.033(b), waives the requirement of Council review of the contract and authorizes the Executive Officer to execute the contract.~~]

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1991.

Tanya Collier, Presiding Officer