

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPOINTING)	RESOLUTION NO. 91-1454
KPMG PEAT MARWICK AS METRO'S)	
INDEPENDENT AUDITOR AND)	Introduced by Rena Cusma,
PROVIDER OF PROFESSIONAL TAX)	Executive Officer
SERVICES)	

WHEREAS, The Department of Finance and Management Information requested proposals, in accordance with all applicable requirements, from qualified Certified Public Accountants to perform independent audit and professional tax services; and

WHEREAS, Proposals were received from four Certified Public Accountant Firms well qualified to perform the required services; and

WHEREAS, KPMG Peat Marwick submitted the lowest cost proposal; and

WHEREAS, The Council Finance Committee recommends approval of the appointment of KPMG Peat Marwick as the District's independent auditor and provider of professional tax services; now, therefore,

BE IT RESOLVED,

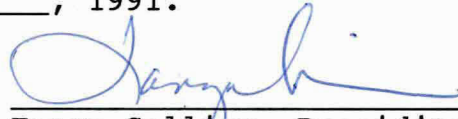
1. That the Council of the Metropolitan Service District authorizes the District to enter into a contract with KPMG Peat Marwick to provide independent audit services, referenced as Exhibit A (Contract No. 901163).

2. That the Council of the Metropolitan Service District authorizes the District to enter into a contract with KPMG Peat

Marwick to provide professional tax services referenced as Exhibit B (Contract No. 901884).

3. That the contracts so authorized be in effect for a period of three (3) years from the effective date of the contract.

ADOPTED by the Council of the Metropolitan Service District this 9th day of May, 1991.



Tanya Collier, Presiding Officer

Contract No. 901163PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this _____ day of April 1991, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S.W. First Avenue, Portland, OR 97201-5398, and KPMG Peat Marwick, Certified Public Accountants, hereinafter referred to as "CONTRACTOR," whose address is 1211 SW Fifth Avenue, Portland, Oregon 97204, for the period of April 1, 1991, through March 31, 1994, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;
NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part of this Agreement, including but not limited to ORS 279.310 to 279.320.

Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws Chapter 684.

4. To maintain records relating to the Scope of work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;

5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors;

6. To comply with any other "Contract Provisions" attached hereto as so labeled; and

7. CONTRACTOR shall be an independent contractor for all purposes, shall be entitled to no compensation other than the compensation provided for in the Agreement. CONTRACTOR hereby certifies that it is the direct responsibility employer as provided in ORS 656.407 or a contributing employer as provided in ORS 656.411.

In the event CONTRACTOR is to perform the services described in this Agreement without the assistance of others, CONTRACTOR hereby agrees to file a joint declaration with METRO to the effect that CONTRACTOR services are those of an independent contractor as provided under Chapter 864 Oregon Laws, 1979.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of ONE HUNDRED FIFTY THOUSAND AND 00/100THS (\$150,000.00 _____) DOLLARS and in the manner and at the time designated in the Scope of Work; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That either party may terminate this Agreement upon giving CONTRACTOR written notice ninety (90) days prior to July 1 of any year, without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

CONTRACTOR NAME

METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Date: _____

DRC:jm
PERSONAL. CNT

CONTRACT CONDITIONS

SCOPE OF WORK

In accordance with the requirements of Oregon Revised Statutes 297.405 through 297.555 between KPMG PEAT MARWICK, Certified Public Accountants of Portland, Oregon, and the METROPOLITAN SERVICE DISTRICT, Oregon, provides as follows:

1. It hereby is agreed that KPMG PEAT MARWICK shall conduct an audit of the accounts and fiscal affairs of the METROPOLITAN SERVICE DISTRICT, Oregon, for the period beginning July 1, 1990, and ending June 30, 1991, and annually thereafter for Fiscal Years 1992 and 1993, in accordance with the Minimum Standards for Audits of Municipal Corporations as prescribed by law. The audit shall be undertaken in order to express an opinion upon the financial statements of the METROPOLITAN SERVICE DISTRICT, Oregon, and upon the financial statements of the METROPOLITAN EXPOSITION-RECREATION COMMISSION, and to determine if the METROPOLITAN SERVICE DISTRICT has complied substantially with appropriate legal provisions.

2. KPMG PEAT MARWICK agrees that the services they have contracted to perform under this contract shall be rendered by them or under their personal supervision and that the work will be faithfully performed with care and diligence.

3. It is understood and agreed that, should unusual conditions arise or be encountered during the course of the audit whereby the services of KPMG PEAT MARWICK are necessary beyond

the extent of the work contemplated, written notification of such unusual conditions shall be delivered to the METROPOLITAN SERVICE DISTRICT, Oregon, who shall instruct in writing KPMG PEAT MARWICK concerning such additional services, and that a signed copy of each such notification and instruction shall be delivered immediately to the Secretary of State by the Party issuing the same.

4. The audit shall be started as soon after this contract is executed as is agreeable to the Parties hereto and shall be completed and a written report thereon delivered within a reasonable time as is agreeable to the Parties hereto, but not later than six months after the close of the audit period covered by this contract. Adequate copies of such report shall be delivered to the METROPOLITAN SERVICE DISTRICT, Oregon, and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon municipal corporations.

5. It is understood and agreed that the METROPOLITAN SERVICE DISTRICT, Oregon, is responsible for such financial statements as may be necessary to fully disclose and fairly present the results of operations for the period under audit and the financial condition at the end of that period. Should such financial statements not be prepared and presented within a reasonable period of time, it is understood that KPMG PEAT MARWICK shall draft them for the METROPOLITAN SERVICE DISTRICT, Oregon. The cost of preparing such financial statements shall be

in addition to the fee for conducting the audit as set forth in Paragraph 8 below.

6. The request for proposal for audit services issued by the METROPOLITAN SERVICE DISTRICT and the proposal documents submitted by KPMG PEAT MARWICK are incorporated herein by reference.

7. It is understood and agreed that either Party may cancel this contract by giving notice in writing to the other Party at least ninety (90) days prior to July 1 of any year.

8. In consideration of the faithful performance of the conditions, covenants, and undertakings herein set forth, the METROPOLITAN SERVICE DISTRICT, Oregon, hereby agrees to pay KPMG PEAT MARWICK the sum of FORTY-FOUR THOUSAND TWO HUNDRED AND NO/100THS (44,200.00) DOLLARS for the fiscal year 1991 audit, and the same amount for each fiscal year audit thereafter except that an increase for inflation, not to exceed the annual Portland Metropolitan Consumer Price Index and as further described below shall be added for each audit subsequent to the fiscal year 1991 audit. The increase will be determined from the table provided monthly by Bureau of Labor Statistics, "All Urban Consumers" living in Portland, Oregon. The initial increase will be calculated using the difference between the second half of 1990 index (82-84 base or 129.8) and the index increase on the following years second half of 1991 index (82-84 base). Subsequent increases shall be calculated in the same manner using the index rate (82-84 base) of the preceding second half period.

The maximum increase in any year is limited to six percent (6%). KPMG PEAT MARWICK shall give notice of such proposed increase for inflation not later than April 1 of the fiscal year for which the increase is proposed. The METROPOLITAN SERVICE DISTRICT hereby affirms that proper provision for payment of such fees has been or will be duly made and that funds for the payment thereof are or will be made legally available.



GRANT/CONTRACT SUMMARY

METRO METROPOLITAN SERVICE DISTRICT

GRANT/CONTRACT NO. 901163 BUDGET CODE NO. 610-041100-524110-00000
 FUND: General DEPARTMENT: Finance&Info. (IF MORE THAN ONE) _____
Mgmt.
 SOURCE CODE (IF REVENUE) _____

INSTRUCTIONS

- OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
- COMPLETE SUMMARY FORM.
- IF CONTRACT IS —
 - SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
 - UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
 - OVER \$2,500, ATTACH QUOTES, EVAL. FORM, NOTIFICATION OF REJECTION, ETC.
 - OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
- PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT Professional Tax Service - Audit

2. TYPE OF EXPENSE PERSONAL SERVICES LABOR AND MATERIALS PROCUREMENT
 PASS THROUGH AGREEMENT INTER-GOVERNMENTAL AGREEMENT CONSTRUCTION
 OTHER

OR

TYPE OF REVENUE GRANT CONTRACT OTHER

3. TYPE OF ACTION CHANGE IN COST CHANGE IN WORK SCOPE
 CHANGE IN TIMING NEW CONTRACT

4. PARTIES KPMG Peat Marwick & METRO

5. EFFECTIVE DATE 4/1/91 TERMINATION DATE 3/31/94
 (THIS IS A CHANGE FROM _____)

6. EXTENT OF TOTAL COMMITMENT: ORIGINAL/NEW (can change based-on CPI) \$ 150,000.00
 PREV. AMEND _____
 THIS AMEND _____
 TOTAL \$ _____

7. BUDGET INFORMATION

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 19890-8-91 \$ 19,000.00
Accounting and
 B. BUDGET LINE ITEM NAME _____ AMOUNT APPROPRIATED FOR CONTRACT \$ 19,000.00
Audit Services
 C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF 3/31/, 1991 \$ 19,000.00

8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

<u>KPMG PEAT MARWICK</u>	\$ <u>44,200.00</u>	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	
<u>DELOITTE & TOUCHE</u>	\$ <u>50,000.00</u>	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	
<u>GRANT THORNTON</u>	\$ <u>51,350.00</u>	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	

9. NUMBER AND LOCATION OF ORIGINALS _____

10. A. APPROVED BY STATE/FEDERAL AGENCIES? YES NO NOT APPLICABLE

B. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT YES NO

11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS? YES NO
IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION _____

12. WILL INSURANCE CERTIFICATE BE REQUIRED? YES NO

13. WERE BID AND PERFORMANCE BONDS SUBMITTED? YES NOT APPLICABLE

TYPE OF BOND _____ AMOUNT \$ _____

TYPE OF BOND _____ AMOUNT \$ _____

14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

15. IF THE CONTRACT IS OVER \$10,000

A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?

YES NO

B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?

YES DATE _____ INITIAL _____

16. COMMENTS:

GRANT/CONTRACT APPROVAL

INTERNAL REVIEW

CONTRACT REVIEW BOARD
(IF REQUIRED) DATE _____

COUNCIL REVIEW
(IF REQUIRED)

DEPARTMENT HEAD

1. _____

COUNCILOR

DATE

FISCAL REVIEW

2. _____

COUNCILOR

BUDGET REVIEW

3. _____

COUNCILOR

LEGAL COUNSEL REVIEW AS NEEDED:

A. DEVIATION TO CONTRACT FORM _____

B. CONTRACTS OVER \$10,000 _____

C. CONTRACTS BETWEEN GOVERNMENT AGENCIES _____

Contract No. 901844

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this _____ day of April 1991, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S.W. First Avenue, Portland, OR 97201-5398, and KPMG Peat Marwick, Certified Public Accountants, hereinafter referred to as "CONTRACTOR," whose address is 1211 SW Fifth Avenue, Portland, Oregon 97204, for the period of April 1, 1991, through March 31, 1994, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;
NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part of this Agreement, including but not limited to ORS 279.310 to 279.320.

Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws Chapter 684.

4. To maintain records relating to the Scope of work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;

5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors;

6. To comply with any other "Contract Provisions" attached hereto as so labeled; and

7. CONTRACTOR shall be an independent contractor for all purposes, shall be entitled to no compensation other than the compensation provided for in the Agreement. CONTRACTOR hereby certifies that it is the direct responsibility employer as provided in ORS 656.407 or a contributing employer as provided in ORS 656.411.

In the event CONTRACTOR is to perform the services described in this Agreement without the assistance of others, CONTRACTOR hereby agrees to file a joint declaration with METRO to the effect that CONTRACTOR services are those of an independent contractor as provided under Chapter 864 Oregon Laws, 1979.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of FIFTEEN THOUSAND AND 00/100THS (\$16,000.00) DOLLARS and in the manner and at the time designated in the Scope of Work; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That either party may terminate this Agreement upon giving CONTRACTOR written notice ninety (90) days prior to July 1 of any year, without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

CONTRACTOR NAME

METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Date: _____

DRC:jm
txsvs.cntr

2/9/90

SCOPE OF WORK

PROFESSIONAL TAX SERVICES

A. KPMG Peat Marwick shall perform the following services:

	<u>Est. Hours</u>	<u>Amount</u>
1. Calculate the amount of legally allowed arbitrage earnings (yield) and rebate amount on Metro Convention Center General Obligation bonds, Series 1987, Metro Solid Waste System Bonds composed of Metro East Transfer Station, 1990 Series A, and Reidel Oregon Compost Company, Inc. 1989 Series A, 1989, Series B and 1990 Series 1 bonds as applicable.	40	\$3,500.00
2. Review the Forms 8038G filed by Metro staff.	10	1,000.00
3. Prepare and submit a written report to Metro and its trustee stating the above calculated rebate amounts (on an annual bond year basis).	<u>05</u> 55	<u>500.00</u> 5,000.00
4. Prepare documentation for financial statement accrual purposes of rebate amounts owing at June 30 of each year.		

In addition, KPMG Peat Marwick will provide technical tax assistance through the contract period. This assistance will include answers to tax related issues raised by Metro staff as well as providing Metro with information relating to changes in arbitrage rules.

The above fees will be increased on April 1, 1992, and April 1, 1993, by an amount not to exceed the change in the Portland Metropolitan Consumer Price Index as described below. The increase will be determined from the table provided monthly by the Bureau of Labor Statistics, "All Urban Consumers" living in Portland, Oregon. The initial increase will be calculated using the difference between the second half of 1990 index (82-84 base or 129.8) and the index increase on the following years second half of 1991 index (82-84 base). Subsequent increases shall be calculated in the same manner. The maximum increase in any year is limited to six percent (6%). KPMG Peat Marwick shall give notice of such increase not later than April 1 of each year prior to the year service is provided.

- B. Additional tax work beyond the original scope identified above will be based upon the following rates:

Partners	\$120/hour
Managers	\$ 70/hour
Senior Staff	\$ 55/hour
Junior Staff	\$ 45/hour

Prior to commencing any special work, KPMG Peat Marwick will meet with appropriate Metro Personnel to review the scope of the proposed work and provide a written estimate of the fees. Work shall not commence until authorization is given by an appropriate Metro official.

- C. Upon request by Metro, KPMG Peat Marwick will provide advice to Metro on any bond related tax issues that arise on Metro's current bond issue and any future issues. Such consultation will include advice on any type of arbitrage bonds and on bond refunding tax issues.

DRC/jm
txsvs.scope



GRANT/CONTRACT SUMMARY

METROPOLITAN SERVICE DISTRICT

GRANT/CONTRACT NO. 901844 BUDGET CODE NO. 610-041100-524110-00000
 FUND: General DEPARTMENT: Finance & Info. Mgmt (IF MORE THAN ONE) _____
 SOURCE CODE (IF REVENUE) _____

INSTRUCTIONS

1. OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
2. COMPLETE SUMMARY FORM.
3. IF CONTRACT IS —
 - A. SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
 - B. UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
 - C. OVER \$2,500, ATTACH QUOTES, EVAL. FORM, NOTIFICATION OF REJECTION, ETC.
 - D. OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
4. PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT Professional Tax Service -

2. TYPE OF EXPENSE PERSONAL SERVICES LABOR AND MATERIALS PROCUREMENT
 PASS THROUGH AGREEMENT INTER-GOVERNMENTAL AGREEMENT CONSTRUCTION
 OTHER

OR

TYPE OF REVENUE GRANT CONTRACT OTHER

3. TYPE OF ACTION CHANGE IN COST CHANGE IN WORK SCOPE
 CHANGE IN TIMING NEW CONTRACT

4. PARTIES KPMG PEAT MARWICK AND METRO

5. EFFECTIVE DATE 4/1/91 TERMINATION DATE 3/31/94
 (THIS IS A CHANGE FROM _____)

6. EXTENT OF TOTAL COMMITMENT: ORIGINAL/NEW (can change based on CPI) \$ 15,000.00
 PREV. AMEND _____
 THIS AMEND _____
 TOTAL \$ _____

7. BUDGET INFORMATION

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 1991-92 \$ 5,000.00
 B. BUDGET LINE ITEM NAME Accounting and Auditing Services AMOUNT APPROPRIATED FOR CONTRACT \$ 7,500.00
 C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF July 1, 1991 \$ 7,500.00

8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

<u>KPMG PEAT MARWICK</u>	\$ <u>5,000.00</u>	<input type="checkbox"/> MBE
SUBMITTED BY <u>GRANT THORNTON</u>	\$ AMOUNT <u>2,500.00 (b)</u>	<input type="checkbox"/> MBE
SUBMITTED BY <u>DELOITTE & TOUCHE</u>	\$ AMOUNT <u>2,250.00 (a)</u>	<input type="checkbox"/> MBE
SUBMITTED BY _____	\$ AMOUNT _____	<input type="checkbox"/> MBE

9. NUMBER AND LOCATION OF ORIGINALS

- (a) fee is for each bond issue.
 (b) fee is total for all existing bond issues

10. A. APPROVED BY STATE/FEDERAL AGENCIES? YES NO NOT APPLICABLE
 B. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT YES NO
11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS? YES NO
 IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION _____
12. WILL INSURANCE CERTIFICATE BE REQUIRED? YES NO
13. WERE BID AND PERFORMANCE BONDS SUBMITTED? YES NOT APPLICABLE
 TYPE OF BOND _____ AMOUNT \$ _____
 TYPE OF BOND _____ AMOUNT \$ _____
14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)
- | | | |
|------------|---------------|------------------------------|
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
15. IF THE CONTRACT IS OVER \$10,000
 A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?
 YES NO
 B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?
 YES DATE _____ INITIAL _____
16. COMMENTS:

GRANT/CONTRACT APPROVAL

<p>INTERNAL REVIEW</p> <p><u><i>[Signature]</i></u> DEPARTMENT HEAD</p> <p>FISCAL REVIEW <u><i>[Signature]</i></u> 4/11/91</p> <p>BUDGET REVIEW <u><i>[Signature]</i></u></p>	<p>CONTRACT REVIEW BOARD (IF REQUIRED) DATE _____</p> <p>1. _____ COUNCILOR</p> <p>2. _____ COUNCILOR</p> <p>3. _____ COUNCILOR</p>	<p>COUNCIL REVIEW (IF REQUIRED)</p> <p>DATE _____</p>
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- LEGAL COUNSEL REVIEW AS NEEDED:
- A. DEVIATION TO CONTRACT FORM _____
- B. CONTRACTS OVER \$10,000 *[Signature]*
- C. CONTRACTS BETWEEN GOVERNMENT AGENCIES _____

FINANCE COMMITTEE REPORT

RESOLUTION NO. 91-1436, APPOINTING KPMG PEAT MARWICK AS
INDEPENDENT AUDITOR AND PROVIDER OF PROFESSIONAL TAX
SERVICES

Date: May 6, 1991

Presented by: Councilor Van Bergen

COMMITTEE RECOMMENDATION: The Committee at its May 2, 1991 meeting voted unanimously to recommend Council adoption of Resolution No. 91-1436.

COMMITTEE DISCUSSION / ISSUES: Ms. Jennifer Sims, Director of Finance and Management Information, presented the staff report. She indicated that the resolution authorizes the District to enter into a three year contract with KPMG Peat Marwick for independent financial auditing services and professional tax services. She noted that this firm has provided this service to the District for the past six years. She reviewed the basic financial terms of the contract -- \$150,000 for a three year period with an annual increase based on the Consumer Price Index.

Ms. Sims described the procurement process used to make the selection of this firm including issuance of a request for proposal (RFP) with advertising notice of the RFP. She said four firms responded and two firms were interviewed by the selection panel which included Councilor Van Bergen and Council Administrator Don Carlson.

Chair Van Bergen commented that he was very satisfied with the services provided by this firm particularly during this past year when the auditors pointed out several fiscal management problems experienced by the District.

STAFF REPORT

FOR THE PURPOSE OF APPOINTING KPMG PEAT MARWICK AS METRO'S
INDEPENDENT AUDITOR AND PROVIDER OF PROFESSIONAL TAX SERVICES

Date: April 5, 1991

Presented by: Jennifer Sims

FACTUAL BACKGROUND AND ANALYSIS

The audit and tax services contracts with KPMG Peat Marwick, Certified Public Accountants recently expired. Metro's Department of Finance and Management Information has completed a process to select a firm for the next three year engagement.

The process involved the development of a request for proposal (RFP) document that was submitted to the Council Finance Committee and Council for authorization to release the document. The approval to release the RFP was received on Resolution 91-1392A adopted by the Council on January 24, 1991.

Advertisements for the proposal were placed in the Daily Journal of Commerce (February 1, 1991) and The Skanner.

The RFP was issued to twenty-one (21) potential proposers on January 25, 1991. Included in this list were all "Big Six" accounting firms, regional firms and local firms. Proposals were submitted to the four DBE/WBE bookkeeping/accounting services firms noted on the State of Oregon list.

A mandatory pre-proposal conference, identified in the RFP, was held at 2:00 p.m. on February 8, 1991 to answer questions of potential proposers and explain the complexities of the new MERC audit requirements. Firms attending this conference were Perkins & Company, Talbot, Korvola & Warwick, KPMG Peat Marwick, Grant Thornton, Deloitte & Touche, Moss Adams and Kent and Snow. Questions raised were answered and a written response was also provided to the firms.

Four firms (KPMG Peat Marwick, Grant Thornton, Deloitte & Touche, and Kent and Snow) submitted proposals by the 5:00 p.m. February 28, 1991 deadline. Perkins & Company called to inform Metro that they could not submit their proposal in time.

The initial proposal review committee was composed of:

Jennifer Sims, Director, Finance & Management Information
Don Cox, Chief Accountant
Carol Parno, Senior Accountant
Dominic Buffetta, MERC Finance and Administration Manager

The proposal of Kent and Snow did not meet minimum requirements. The review committee scored the three remaining firms as follows:

KPMG Peat Marwick	462
Deloitte & Touche	451
Grant Thornton	417

The proposals and analysis were presented to Council Administrator Don Carlson and Councilor George Van Bergen for their review at which time an interview was scheduled for March 14. KPMG Peat Marwick and Deloitte & Touche representatives were interviewed by Don Carlson, Councilor Van Bergen, Jennifer Sims, Dominic Buffetta and Don Cox.

KPMG Peat Marwick submitted the lowest cost proposal for audit and tax services. In summary, the fees were as follows:

	<u>KPMG</u>	<u>DT</u>	<u>GT</u>
Audit Services	\$44,200	\$50,000	\$51,350
Tax Services	5,000 (b)	2,250 (a)	2,500 (b)
Total	<u>\$49,200</u>	<u>\$52,250</u>	<u>\$53,850</u>

(a) fee is for each bond issue.

(b) fee is total for all four existing bond issues.

Hourly Rates:

Partners	\$120	\$150-200	\$115
Managers	\$ 70	\$100-150	\$75-90
Sr. Staff	\$ 55	\$ 75-100	\$33-40
Jr. Staff	\$ 45	\$ 50-75	\$24-29

Additional Comprehensive Annual Financial Report assistance provided to Metro, an item Metro may pursue at its option, was priced as follows: KPMG Peat Marwick - \$4000 maximum, Deloitte & Touche - \$1000 maximum and Grant Thornton - \$1000 maximum. The fees quoted in the table above are for the Fiscal Year 1991 audit services, with each firm proposing an annual increase in fees based upon the change in the Consumer Price Index.

KPMG Peat Marwick will cap the CPI increase in their contract at six percent (6%) per year.

Executive Officer's Recommendation:

The Executive Officer recommends approving the three year contract with KPMG Peat Marwick for audit and tax services.

a:stf