

BEFORE THE METRO CONTRACT REVIEW BOARD

**FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 94-1891
AN EXTENSION TO METRO CONTRACT)
NO. 903389 AND TO EXEMPT THIS WORK) Introduced by Rena Cusma,
FROM COMPETITIVE BIDDING, PURSUANT) Executive Officer
TO METRO CODE SECTION 2.04.054(a)(2))**

WHEREAS, The Westside Station Area Planning Program requires consulting services to undertake an economic analysis (examination of the current and projected economic drivers as well as the projected demand for business activity and housing: of the Westside Light Rail Corridor; and

WHEREAS, Metro currently has contracted with the consulting firm ECO Northwest to provide related personal services for a study of "Descriptive Indicators," that is part of the 2040 Program; and

WHEREAS, The two contracts call for the same expertise so that ECO Northwest is the best qualified to complete the second study; and

WHEREAS, The two contracts call for similar analytic approaches as well as use of the same modeling techniques; and

WHEREAS, There is a need for consistency between the two contracts. The underlying assumptions and methodologies used for the two studies should be compatible so that the data generated from each will be comparable; and

WHEREAS, It is unlikely that this exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; now, therefore,

BE IT RESOLVED,

The contract Review Board hereby exempts ECO Northwest's economic/projection analysis of the Westside Light Rail Corridor (see Exhibit "B," Metro Contract No. 903389 Amendment No. 1, attached) from the competitive bidding requirement pursuant to Metro Code

Section 2.04.054(a)(2), and authorizes the Executive Officer to execute a contract amendment with ECO Northwest.

ADOPTED by the Metro Council this 13th day of January, 1994.



_____, Presiding Officer

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12/28/93

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, located at 600 N.E. Grand Avenue, Portland, Oregon 97232-2736, and Eco Northwest, referred to herein as "Contractor," located at 99 West Tenth, #400, Eugene, Oregon 97401.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. **Duration.** This Personal Services Agreement shall be effective October 11, 1993, and shall remain in effect until and including June 30, 1994, unless terminated or extended as provided in this Agreement.
2. **Scope of Work.** Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. **Payment.** Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed ONE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$100,000.00).
4. **Insurance.**
 - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurances, covering the Contractor, its employees and agents:
 - (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations and product liability. The policy must be endorsed with contractual liability coverage; and
 - (2) Automobile bodily injury and property damage liability insurance.
 - b. Insurance coverage shall be a minimum of \$500,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000.
 - c. *Metro, its elected officials, departments, employees and agents shall be named as **ADDITIONAL INSURED**.* Notice of any material change or policy cancellation shall be provided to Metro thirty (30) days prior to the change or cancellation.

- d. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as "Exhibit B," in lieu of the certificate showing current Workers' Compensation.
 - e. If required by the Scope of Work, Contractor shall maintain, for the duration of this Agreement, professional liability insurance covering personal injury and property damage arising from errors, omissions or malpractice. coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance and thirty (30) days advance notice of material change or cancellation:
5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any an all claims, demands, damages, actions, losses and expenses including attorney's fees, arising out of or in any way connected with is performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.
6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for three years after Metro makes final payment and all other pending matters are closed.
7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers and grants to Metro all rights of reproduction and the copyright to all such documents.
8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.
9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work.

Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS Form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provision of ORS Chapter 279, and the recycling provisions of ORS 279.545 - 279.650, to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this Agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the State of Oregon, for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns and legal representatives, and may not, under any circumstance, be assigned or transferred by either party.

14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor ten (10) days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

ECO NORTHWEST

METRO

By: W. E. Stutela

By: [Signature]

Title: President

Title: Director, RP

Date: 11/24/93

Date: 2 Dec. 93

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Exhibit A

Scope of Work

- 1. Contractor shall perform all duties in the attached Proposed Work Plan.**
- 2 Contractor and any or all sub-contractors shall adhere to all applicable federal, state, and local laws, regulations and policies including, but not limited to those included in "Exhibit A; Federal Requirements", and those related to Workers' Compensation, those in OMB Circular A-102 and its attachments, those of the Contract Work Hours and Safety Standards Act, and those relating to equal employment opportunity, nondiscrimination, and affirmative action including, but not limited to, those regulations implementing Executive Order No. 11246 of the President of the United States and Section 402 of the Vietnam Readjustment Act of 1973. Contractor and any or all sub-contractors shall adhere to all safety standards and regulations established by Metro for work performed on its premises or under its auspices.**
- 3. For work completed, contractor shall send Metro an invoice. These invoices shall document services and products provided by Contractor as specified in the Scope of Work and supported by copies of all invoices for reimbursable costs. Metro shall pay approved invoices within thirty (30) days.**

Proposed Work Plan

PURPOSE OF THE PROJECT

ECO, CH2M Hill, and Pacific Rim Resources worked with Metro on Phase I of *Region 2040* to define concepts for regional growth. The intention of Metro staff was to *develop* the concepts in Phase I, and *evaluate* the concepts in Phase II. As part of Phase I we helped Metro with some initial efforts to describe potential evaluation criteria, but that worked stopped short of defining specific measures for evaluating the concepts. Council Resolution 92-1712 in December 1992 reconfirmed the purpose of Phase II: to evaluate the performance of the concepts using measurements of "livability; density; economic, governmental and social costs and benefits;... [and] public infrastructure and services."

In 1993 Metro staff worked to articulate a set of measurements (indicators) for evaluating the growth concepts. Metro staff will conduct the bulk of the work related to the measurement of those indicators (as is evident from the number of indicators listed in the appendix of the RFP that Metro staff will have responsibility for). This project, therefore, is about assisting Metro staff with the measurement of a subset of indicators in an evaluation process that Metro staff will manage. Those indicators are the subject of Work Elements 1 through 4. Work Elements 1 through 3 are specific about the indicators that need measurement (e.g., infrastructure cost, housing demand and cost, demand for commercial and industrial space). For Work Element 4, the task is a little more open-ended: though the categories of indicators are defined, the consultant must make some judgments about the specific indicators to be measured.

Metro's use of the term *indicators* rather than *evaluation criteria* is purposeful. For this project, Metro wants only the first step on a evaluation of growth concepts: a compilation of the facts available about certain types of impacts the different concepts might or are likely to have (a *descriptive analysis*). It does not want a further step as part of this RFP: a weighting and summation of the multiple measurements leading to a recommendation about a preferred alternative (a *normative analysis*). Metro will provide the descriptive indicators to policymakers and the public and will document the opinions people express about them (for example, which indicators are most important, whether they adequately capture the concerns of interest, and whether they are adequately measured). Metro staff, during the first half of 1994, will evaluate all the indicators (both the ones in the Work Elements of this RFP and the ones in the appendix that Metro will measure), develop a method for synthesizing public opinion about weights and preferences, and prepare a recommendation about a preferred concept (A, B, C, or a hybrid) for another round of public review.

OVERVIEW OF THE TEAM

Because Metro has already specified many of the measurements it wants to use to evaluate the growth concepts, it is not absolutely necessary that the consultant on this project have a background with the methods of program evaluation in general, or the use of criteria in evaluating planning concepts in particular. We believe, however, that such a background will substantially improve the way the measurements get specified, collected, and reported. Moreover, particularly for Work Element 4, the consultant must still exercise some judgment about the best indicators for addressing some issues of concern.

We have assembled a team that not only has the technical expertise to work in the four categories described in the RFP, but also has the ability to integrate across those categories.¹

- *ECO Northwest* would manage the project and have primary responsibility for Work Elements 2 (Housing) and 3 (Employment). Terry Moore has taught classes on program evaluation at the University of Oregon for ten years. His recent research on Phase I of *Region 2040* included a review of evaluation criteria and measures of performance from regional planning efforts in North America. Randy Pozdena is a frequent speaker on economics and land development in the Portland metropolitan area, and author of *The Modern Economics of Housing*, a recent text that summarizes theory and policy for finance and real estate professionals. ECO, together with Data Resources Inc., maintains the only econometric model of the entire Portland metropolitan economy. We have provided forecasts of the Portland metropolitan region's economy to Tri-Met since 1982.
- *CH2M Hill* would manage Work Element 1 (Water and Sewer Costs). CH2M Hill has developed comprehensive water system master plans for communities and service districts in Metro's service area. Bill Blosser, a senior project manager, would manage this work element. He has 20 years experience on planning issues in Oregon. Phil Butterfield will conduct most of the research: he has been responsible for several water system master plans. Mark Lasswell, as senior engineer for public utilities will advise and review.
- *Pacific Rim Resources* would manage Work Element 4 (Non-Quantifiable Issues). PRR has participated in the design and implementation of public involvement services for growth-management planning in cities throughout the Pacific Northwest. Pacific Rim Resources (PRR) will be responsible for Work Element 4 (Assessment of Non-Quantifiable Issues). Sumner

¹Details of the qualifications of the team members are in Part 2, Project Staffing, and in an Appendix.

Sharpe, a Senior Associate at PRR, will take the lead in this effort; he will be supported by Margaret Strachan, PRR Associate. Pacific Rim Resources specializes in issue and opinion research and has extensive experience in the use of focus groups as well as executive interviews and surveys. PRR conducted, and Sharpe participated in, the focus groups during Phase 1 of *Region 2040*. Strachan and Sharpe conducted a series of focus groups for a project assessing ways to increase citizen involvement through the City of Portland's system of neighborhood associations.

THE APPROACH

The work plan that follows focuses on the technical aspects of the four Work Elements described in the RFP. Before going to those details, we will describe briefly the procedures we propose to manage the project and integrate the results of Work Elements.

The four Work Elements break into three independent categories: Infrastructure Costs (Work Element 1, Sewer and Water); Impacts on Land Development (Work Elements 2 and 3, Residential and Industrial/Commercial Land Use); and Quality of Life (Work Element 4, Non-Quantifiable Issues). To a large extent, the research for these three categories can be conducted and reported independently. It does not seem necessary to spend resources trying to integrate the results into a single document since there are about a dozen other categories of indicators that Metro staff will be working on. Thus we expect, as the RFP requests, to provide separate reports for the different Work Elements.

This independence does not mean, however, that the consultants can work without consultation with each other or Metro staff. Metro will be better served if the staff and consultants working on the different indicators have a common understanding of the purposes, format, and level of detail for the final products. For the consultant team, Terry Moore of ECO will be responsible for coordinating consultant efforts between consultants and with Metro staff. Bill Blosser of CH2M Hill and Sumner Sharpe of PRR will be the primary contacts on Work Elements 1 and 4 respectively, while Moore will be assisting on those tasks with the definition of indicators as required.²

²We noted that while most of this project is about data collection for predefined indicators, some work on defining the indicators will be required. ECO staff have worked from the beginning with the Oregon Progress Board on the definition of the *Oregon Benchmarks*. Staff at the Progress Board maintain an extensive library of studies from cities and regions around the nation that have tried to define performance measures for evaluating progress toward goals for better quality of life. We can get immediate access to these studies to describe a range of possible indicators for (Work Element 4 in particular) if this proves necessary.

WORK ELEMENT 1: TECHNICAL REVIEW OF WATER/SEWER/DRAINAGE DATA

Purpose

The different concepts may—by changing the density and location of development—have different effects on the cost of providing water and sewer service to new development. The purpose of this work element is to assist Metro in determining what information to collect to best measure these future costs, and to provide a technical review of data collected and organized by Metro staff.

The usefulness of the indicators depends in part on the quality of data that can be made available by service providers. Our approach is to ask the service providers for information our experience tells us they can provide within a reasonable time period (considering in some instances, their limited staff availabilities or capabilities). For example, if service providers were asked to estimate the total cost for servicing a new basin, some may have staff who could make these estimates but who are committed to other projects. Others may have staff available but without the technical training to make the estimates. In short, not all service providers will be able to supply all the data Metro wants to meet its objectives and schedule.

The approach we propose relies on the service providers developing typical unit costs for the various types of development rather than total costs on a per-basin or total-area basis. A key step in the process is describing the data format likely to be most useful to Metro in future assessments. Metro's GIS data base will be key to that decision. It may be possible to develop cost data on a per-unit basis for geographic regions, use the GIS data base to develop total areas per specific use type, and then apply the unit-cost data to come up with estimates of total cost for a given time period.

Tasks

Task 1: Clarify Methods

We will conduct initial research to clarify the data available for the task, and will then discuss our findings with Metro staff to decide on a final work plan. We will address data collection for both capital costs and operation and maintenance costs.

Data Available from Metro. We will meet with Metro staff to develop an understanding of the available data, how the data can be supplied by Metro to service providers as part of the data collection procedure, how to frame the questions based on the type of data that would be useful to this project, how to ensure consistency between existing data and new data, how those data can be incorporated into the GIS data base, and how the data might be used and updated by Metro or service providers in the future.

Data Available from Service Providers. The service providers in the Water Resources Policy Advisory Committee fall into two groups: water suppliers, and wastewater/water quality service providers. Information on service providers is available for each drainage basin impacted by planned growth. To obtain meaningful data from the service providers we must discuss the data needs with the providers, inform them of how we intend to request the data, and ask for their input into how the data request can best be made. At a minimum, we must gather data from certain strategic service providers: those of sufficient size and staffing to be able to assist in the project. We propose to meet with these strategic providers in a workshop with Metro staff for the purpose of refining the data request.

Task 2: Develop Data Request Form

The data request form will describe the data being provided by Metro for the service providers' use and the guidelines for developing and reporting cost data. We anticipate Metro will develop the necessary maps and planning data that will be provided to the service providers with the data request form. A basis for both capital and operation and maintenance costs would be presented in the appendix to the data request form. We have assumed the data input form and subsequent analysis will involve up to six different types of general land use for which unit costs will be requested for the following water related components:

- Water supply and treatment
- Water transmission, distribution and storage
- Wastewater collection and conveyance
- Wastewater treatment
- Stormwater conveyance
- Stormwater treatment/surface water quality protection

Task 3: Review and Analyze Data

We will review the data request forms returned to Metro and organize the data into cost matrices that can then be applied to Metro's planning data. We anticipate some service providers will not be able to provide data as requested within the time frame for the project. Using engineering judgment, we will use the data that has been received to fill data gaps and develop cost matrices applicable to each of the three growth concepts and two general geographic regions (generally defined as the City of Portland and areas east, and the Washington County area). We have assumed Metro will print, distribute, and collect the forms.

Task 4: Prepare Draft Report

A draft report will describe the methodology used to collect data and develop the unit cost matrices. Our scope of work includes development of a method for estimating the total future costs for each concept. The method will use as the basis the cost matrices developed from the data collected. The method for determining future total costs will be based on an assumption of

growth rate using either a straight-line growth or in increments of time such as every ten years. The method will define salvage value and replacement cost assumptions so that an analysis of future total cost can be made. Engineering judgment will be used to estimate parameters, such as useful life of facilities, required for developing methods. We have assumed Metro will then use the cost matrices and total-cost method to determine total water-related costs for each of the three growth concepts and base case.

Task 5: Review and Revise Draft Report

We will meet with Metro staff to discuss the draft report. We anticipate this meeting will allow Metro to provide possible enhancements to the unit costs, but will not require a significant re-evaluation of the data that was originally provided or the method for determining total cost. We assume that maps used in the report will be those developed by Metro and supplied to the service providers as part of the data request process.

Metro will consolidate comments from this meeting and staff review in writing. Based on those comments we will prepare a final report. We will provide a camera-ready copy of the final report to Metro for printing and distribution.

Products

- Data Request Form for service providers
- Summary of data from Data Request Form
- Report summarizing cost matrices and methods for calculating the water-related costs of the growth concepts and base case

WORK ELEMENT 2: HOUSING DEMOGRAPHIC/MARKET ANALYSIS

Purpose

The different growth concepts may—by changing the supply of vacant land, allowing or requiring higher density in some areas, and other policies—have different effects on the choices of builders and consumers about housing type. The purpose of this work element is to analyze likely future demographic changes and market forces as they relate to the demand for and supply of housing by product type for each regional growth alternative.

One objective of regional planning is to manage the supply side of the housing market in a way that minimizes the cost of supplying the equilibrium quantity of housing. Other objectives, such as minimizing the costs imposed by congestion or pollution, may conflict with the objective of minimizing housing costs. This work element will provide information useful in evaluating those trade-offs.

Tasks

Task 1: Preliminary Forecast

We will make a preliminary forecast of the demand for and supply of housing by product type for each regional growth alternative. The demand for a housing product is the relationship between the quantity of housing of a particular type that can be sold into a market and the market price for housing of that type. Likewise, the supply of a housing product is the relationship between the quantity of housing of a particular type that will be offered in a market and the market price for housing of that type. Housing is not a homogeneous product: different types and locations of housing offer different bundles of services to buyers and renters. The housing market in this project will be disaggregated into at least the following types: single-family attached, single-family detached, townhouses or rowhouses, and higher-density multi-family residential.

Through out this task, we will use 1993 dollars to measure prices and incomes. This serves two purposes. It eliminates the potential for errors in forecasts stemming from incorrect forecasts of inflation rates, and it will make the results more intelligible to the public, who know what a dollar is worth today.

To forecast future demand for and supply of housing, by type, we will:

- a. Describe the economic and demographic forces that determine and constrain demand for housing within a region (e.g., forces that determine employment, forces that determine incomes, household sizes, ages of householders, etc.). These forces are, for the most part, exogenous to the region and beyond the reach of regional planning efforts.
- b. Forecast the quantity of housing by product type that would be demanded in various price ranges. This forecast probably will be quite similar for each regional growth alternative, but may be constrained in one or more alternatives by the results of Work Element 3 (Commercial/Industrial Market Analysis).
 - (1) Forecast regional employment (number of employees) by sector through the year 2040. The employment forecast will be consistent with Metro's population forecasts.
 - (2) Combine information on the distribution of incomes by sector, which ECO Northwest has already developed, with information and trends related to the number of employees per household to develop a forecast of the number of households by income group.
 - (3) Combine the forecast of the number of households by income group, demographic forecasts of household size, and information and trends related to demand for various product types by income group and household size to forecast the

quantity of housing by product type that would be demanded in various price ranges.

- c. Forecast the quantity of housing by product type that could be supplied in various price ranges under the base case and each regional growth alternative.
- d. Combine the forecasts of supply and demand for various product types to forecast prices and quantities of housing by product types under the base case and each regional growth alternative.

Task 2: Conduct Sensitivity and Risk Analysis

We will analyze the sensitivity of the housing forecast to the assumptions and the other forecasts of the variables upon which that forecast is based. Using the results of the sensitivity analysis, we will complete a risk analysis, which will incorporate our judgments and Metro's concerns about the likelihood that actual conditions will diverge from those assumed in our forecast. We will identify reasonable ranges for prices and quantities for different housing products and will describe how these ranges could change if the underlying forecasts or assumptions were to be changed.

Task 3: Analyze Differences Between Alternatives

We will analyze the differences in forecasted prices and quantities of housing types between the base case and each of the regional growth alternatives. We will assess and describe any apparent disequilibrium conditions (instances of the regional growth alternative constraining or distorting the market to the point where housing prices are greatly out of line with those of other regions and where large numbers of households are forced to live in housing types that they would not otherwise choose).

Task 4: Estimate Relative Housing Costs

We will complete an estimate of relative housing costs of the base case and each regional growth alternative. "Housing costs" can mean two different things. In one sense, housing costs are the prices of the various housing product types. In another sense, housing costs are the amount people actually spend on housing given both prices and the mix of product types people choose. Both are important indicators.

We will describe the relative prices for each product type under the base case and each regional growth alternative. This will address the relative effects of the regional growth alternatives on the costs faced by households who choose each product type. We also will describe relative expenditures on housing by all households in the region under the base case and each regional alternative given their expected choices of product type. We expect that both prices and the mix of product types will differ between regional growth alternatives.

Products

Draft and final reports describing:

- Forecasting methods and results. The details of our forecasting methods, data, and assumptions may be contained in a technical appendix.
- Analysis of sensitivity and forecast risk.
- Differences in forecasted prices and quantities of housing product types between the base case and each of the regional growth alternatives. The report will address and describe any apparent disequilibrium conditions.
- Forecasted relative prices for each housing type under the base case and each regional growth alternative, and the forecasted relative total and per-household expenditures on housing for the base case and each regional growth alternative.

WORK ELEMENT 3: COMMERCIAL AND INDUSTRIAL MARKET ANALYSIS

Purpose

The different growth concepts may—by changing the supply of vacant land, allowing or requiring higher-density development in some areas, and other policies—have different effects on the choices of developers and employers about commercial and industrial product types. The purpose of this work element is to analyze likely future market forces as they relate to the demand for and supply of commercial and industrial facilities by product type for each regional growth alternative.

It is important to understand that buildings do not create employment, although lack of appropriate space may lead employers to locate outside, rather than inside, the region's boundaries. Demand for commercial and industrial facilities originates from the same source as demand for labor: demand from both inside and outside the region for goods and services produced within the region.

Tasks

Task 1: Preliminary Forecast

We will make a preliminary forecast of the demand for and supply of commercial and industrial facilities by product type for each regional growth alternative. The demand for any particular commercial or industrial product type is the relationship between the quantity of facilities of that particular type that can be sold into a market and the market price for facilities of that type. Likewise, the supply of a commercial or industrial product type is the relationship between the quantity of facilities of that particular type that will

be offered in a market and the market price for facilities of that type. As with housing, different types and locations of facilities offer different bundles of services to buyers and lessees. The commercial and industrial market will, for this project, be disaggregated into at least the following product types: retail commercial, office commercial, high technology industrial, distribution industrial, and manufacturing industrial.

For the reasons described under Work Element 2, we will use 1993 dollars to measure prices throughout this task.

To forecast demand for and supply of commercial and industrial facilities, by type, we will:

- a. Describe the economic forces that determine the growth of the various economic sectors within a region. These forces are, for the most part, exogenous to the region and beyond the reach of regional planning efforts. We also will describe trends that affect the relationship between sectoral output and demand for particular product types or locations (e.g., suburban office parks and telecommuting taking demand away from downtown office space).
- b. Forecast the quantity of commercial and industrial facilities (including, in some cases, land) by product type that would be demanded in various price ranges. This forecast will not differ between regional growth alternatives.
 - (1) Forecast regional employment (number of employees) by sector through the year 2040. The employment forecast will be consistent with Metro's forecasts.
 - (2) Combine information on the use of space per employee by sector, some of which Metro has already developed, with the forecast of the number of employees by sector, to estimate the number of square feet of each product type that would be used if current price conditions prevailed into the future.
 - (3) Combine the forecast of the number of square feet of each product type that would be demanded at current prevailing prices with information on the price sensitivity of demand for the various product types (from other studies) to estimate the quantities of each product type that would be demanded in various price ranges.
- c. Forecast the quantity of commercial and industrial facilities by product type that could be supplied in various price ranges under the base case and each regional growth alternative.
- d. Combine the forecasts of supply and demand for various product types to forecast prices and quantities of commercial and industrial facilities by product types under the base case and each regional growth alternative.

Task 2: Sensitivity and Risk Analysis

We will analyze the sensitivity of the forecast to the assumptions and the other forecasts of the variables upon which that forecast is based. Using the results of the sensitivity analysis, we will complete a risk analysis, which will incorporate our judgments and Metro's concerns about the likelihood that actual conditions will diverge from those assumed in our forecast. We will identify reasonable ranges for prices and quantities for different commercial and industrial product types and will describe how these ranges could change if the underlying forecasts or assumptions were to be changed.

Task 3: Analyze Differences Between Alternatives

We will analyze the differences in forecasted prices and quantities of commercial and industrial product types between the base case and each of the regional growth alternatives. We will assess and describe any apparent disequilibrium conditions (instances of the regional growth alternative constraining or distorting the market to the point where rents for commercial or industrial space are greatly out of line with those of other regions and where large numbers of employers are forced to locate in facility types that they would not otherwise choose).

Task 4: Prepare Strategies

We will prepare strategies for commercial and industrial development consistent with regional growth alternatives A, B, and C, analyzing the strengths and weaknesses of each. For each alternative, we will describe opportunities for preventing or overcoming disequilibrium conditions in the regional markets for commercial and industrial land and facilities. We then will lay out strategies for taking advantage of these opportunities through the planning process and through other means at the disposal of the public sector.

Products

Draft and final reports describing:

- Forecasting methods and results. The details of our forecasting methods, data, and assumptions may be contained in a technical appendix.
- Analysis of sensitivity and forecast risk.
- Differences in forecasted prices and quantities of commercial and industrial product types between the base case and each of the regional growth alternatives. The report will address and describe any apparent disequilibrium conditions.
- Strategies and opportunities for balancing supply of and demand for commercial and industrial product types for each regional growth alternative.

WORK ELEMENT 4: ASSESSMENT OF NON-QUANTIFIABLE ISSUES

Purpose

The different growth concepts may—by changing density, design, and other neighborhood characteristics—have different effects social, cultural, and governmental variables that are important to quality of life. The purpose of this work element is to provide information about issues that may be difficult to measure numerically, but are nonetheless important in evaluating regional growth alternatives.

The focus of this work element is on the identification of security, human service, and choice/liberty issues related to regional growth and specific regional growth alternatives. Therefore, this element will focus on perceptions of changes in community character related to the regional growth concepts, as identified and described by focus group participants.³ In addition to overall regional perceptions, participants also will be given an opportunity to comment on local issues and goals that relate to the regional growth alternatives.

Tasks

Task 1: Agree on Meeting Agendas

The consultants with Metro staff agree on the focus group schedule, agendas, participants and expected outcomes.

As outlined in the RFP, Work Element 4 provides for four meetings, and four focus groups are recommended: one with law enforcement personnel, one with representatives of human service agencies, and two focus groups of citizens randomly selected to assure a geographic balance. These meetings provide two opportunities for meeting participants to help identify and evaluate non-quantifiable indicators.

Following is a preliminary list of participants for the security and human service focus groups, selected to provide a cross-section of interests and communities:

Security Focus Group

- Multnomah County Sheriff, Portland and Troutdale Police
- Clackamas County Sheriff, Oregon City and Wilsonville Police
- Washington County Sheriff, Beaverton and Forest Grove Police

³Work Element 4 is explicit about identifying *non-quantifiable* indicators using focus groups. It is also possible to find *quantifiable* indicators associated with security and human services will be addressed elsewhere, e.g., emergency police or ambulance response times or distance from home or work place to services, such as child care. In this proposal, we assume that the task is limited to the focus groups specified. We could, however, rearrange the scope to address these other measures of livability.

- Tri-Met Security
- Portland School District Security
- A private security company

Human Service Focus Group

- Multnomah County Human Services, community action agency, Mental Health Services West, Urban League
- Clackamas County Human services, community action agency, Association for Retarded Citizens, agency serving children
- Washington County Health Department, Centro Cultural, community action agency, and Area Agency on Aging

The group discussions should focus on outcomes related to regional growth and alternative growth patterns. For example:

- Security issues might be evaluated using indicators such as increasing or decreasing fear of walking in residential neighborhoods after dark or fear of going downtown or using transit; changes in police response, access, or visibility, or perceived relationship between density of development and crime.
- Human service issues might be evaluated using indicators such as access to services; ability to serve special needs populations; or siting of human services facilities, including NIMBY-type centers or facilities.
- Quality of life choice and liberty issues might be evaluated using indicators such as sense of place related to geographic differentiation of communities by open space, provision of centers, different relationships between work and living places; opportunities and choices related to property ownership or housing; or regulations associated with regional growth alternatives and personal choices/freedoms.

In short, the focus groups should address the question: Given the alternative growth concepts, what non-quantifiable issues are likely to be important, and, from the perspective of the focus group participants, will things improve or get worse regionally and locally?

Task 2: Set up Focus Groups

During this task, meeting locations will be established and participants invited.

Task 1 identifies potential security and human service participants. To assure a random geographic selection of citizens with such a small number of participants (8 to 12 per focus group), we will divide the region into subareas, e.g., by telephone prefix. In addition to geographic spread, the only other consideration should be that participants be at least 18 years old. Given the small number of citizens to be selected for the two focus groups, we do not

recommend that other factors such as age spread and minority representation be used in selection of participants.

It was difficult to get a good geographic spread for the focus groups of Phase I of *Region 2040* because people from the outlying areas did not want to come downtown. Therefore, we recommend that these two focus groups be held outside the downtown area, with one on the east side and one on the west side. The security and human service focus groups can be held at a central location such as at Metro.

With agreement on schedule, participants and locations, we will make phone calls to invite participants. If there are rejections, others will be called, always maintaining the balance of participants agreed upon. Follow-up letters will be sent providing information about time and place and agenda. Experience suggests that a small stipend to cover expenses, say \$15 per person, improves the chances of getting citizens to agree to participate and to show up. The follow-up letter will confirm this.

Task 3: Facilitate Focus Groups

We expect the agenda for the four sessions will follow a similar track. A draft agenda follows:

1. Presentation of *Region 2040* growth concepts, describing both regional growth and local impact characteristics. (The text and materials for this presentation would be prepared by Metro, either in the form of slide show, video, handouts or other written and visual information.)
2. Identification of regional issues associated with future regional growth and perceived impacts described in terms, such as "better or worse", "more or less", "increase or decrease."
3. Discussion of regional and local issues associated with each of the regional growth alternatives. Facilitators will probe for terms or indicators that describe the participants' concerns related to the issues.
4. Discussion of community and personal choices and tradeoffs associated with each regional growth alternative. The citizen focus groups also will be asked to respond to concepts of slow or no growth and the implications these have with respect to the identified issues and choices and tradeoffs.
5. Discussion of priorities among the issues and which indicators are more important and why.

We expect each focus group will last about 2 1/2 hours. Pacific Rim Resources will facilitate the focus groups and assure that the proceedings are recorded, in writing and on tape. We expect Metro staff and other members of the consultant team will observe or participate in some way, to be discussed during Task 1.

Task 4: Prepare Summaries and Report

We will prepare a summary of each focus group session and an overall report summarizing our conclusions from the four focus groups. Metro staff will review and comment on the report. The focus group summaries will highlight significant viewpoints and comments and the overall report will summarize these highlights and provide an overall analysis. Following review, a camera-ready final report will be prepared with the focus group summaries in an appendix.

Products

- Memorandum describing the meeting schedule, format, participants, and expected outcomes.
- Facilitated meetings and recorded proceedings.
- Meeting summaries and a final report on non-quantitative issues and indicators related to security, human services and liberty/choice issues related to the regional growth alternatives.

SCHEDULE

Figure 1 outlines a generic schedule for all four work elements.

Figure 1: Schedule


Name	Oct '93	Nov '93	Dec '93	Jan '94
Refine Scope and Responsibilities	➡ 10/15			
Conduct Research	➡ 11/26			
Review/Revise Draft Reports	➡ 12/10			
Prepare Final Reports	➡ 12/31 Fnl Tech Rpts			

PACIFIC RIM RESOURCES

October 20, 1993

Memorandum

To: Mark Turpel

From: Sumner Sharp 

Subject: Amendments to Descriptive Indicators: Work Element 4: Assessment of Non-Quantifiable Indicators

Based on our discussion on October 18 and subsequent conversations between Terry and me on October 19 and 20, the following is a description of tasks to be added to Work Element 4, and a cost estimate for those added tasks.

It is my understanding that you will, based on this memo, send a memo to Terry authorizing these added tasks and the budget to be shifted to our portion of the work program. He, in turn, will amend our agreement with ECO Northwest.

Added Tasks

Research: Undertake a search for written information through library and other bibliographic sources, (e.g. key word and Social Science Citation Index searches), and through discussions with local area contacts, including contact with the Oregon Progress Board staff and urban designers to identify current research and information available which is pertinent to the non-quantitative indicators.

This effort will attempt to identify information available on both the measurable and perceptual relationships between 1) regional form/space and community or neighborhood and site-related design concepts that might occur within the region and 2) the non-quantitative indicators that will be the subjects of the focus groups (security and safety, human services, and sense of community and choices/freedom issues.).

This information will be summarized in a brief (two or four page) summary with information keyed to the kinds of questions that could be asked during the focus group sessions. Printouts or other annotated bibliographic materials will be appended to the summary memo.

Third Citizen Focus Group. A third/south Clackamas County focus group will be held with a randomly selected sample of Clackamas County-citizens. This will be in addition to the east side and west side focus groups identified in our proposal.

Added Cost

The estimated added costs of \$4,384 are identified below. I have discussed these with Terry Moore, and it is understood that this will be in addition to the \$12,008 allocated for Pacific Rim Resources in the ECO NW proposal.

	Sharpe	Strachan	Armstrong
Research	2	-	40
3rd Focus Group	<u>7</u>	<u>14</u>	<u>15</u>
Total Hours	9	14	55
Personnel:			
Sharpe	\$ 909		
Strachan	1,050		
Armstrong	<u>1,925</u>	\$3,884	
Direct Expenses: Estimate		<u>500</u>	
Total Cost Estimate		\$4,384	

If you have any questions, please do not hesitate to call.

cc: Terry Moore

EXHIBIT A

FEDERAL REQUIREMENTS

1. Disadvantaged Business Enterprises (DBE)

The DBE goal for this contract is zero percent (0%). If the DBE goal is zero percent (0%), only subparagraph (a) below applies. If the DBE goal exceeds zero percent (0%), subparagraphs (a) and (b) below apply.

Pursuant to 49 CFR 23.43(a), the following provisions are made a part of this contract:

- A. Policy. It is policy of the U.S. Department of Transportation (DOT) and Metro that DBEs as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this contract. Consequently, the DBE requirements of 49 CFR Part 23 apply to this contract.
- B. DBE Obligation. Contractor agrees to ensure that DBEs as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this contract. In this regard, Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that DBEs have the maximum opportunity to compete for and perform contracts. Contractor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of DOT-assisted contracts.
- C. Contractor's failure to carry out the requirements set forth herein shall constitute a breach of contract, and may result in termination of the contract by Metro or such other remedy as Metro deems appropriate.

2. Equal Employment Opportunity

In connection with the execution of this contract, Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, age or national origin. Such action shall include, but not be limited to, the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontract for standard commercial supplies or raw materials.

3. Title VI Compliance

During the performance of this contract, Contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as "Contractor"), agrees as follows:

- A. Compliance with Regulations: Contractor shall comply with Regulations relative to nondiscrimination in federally-assisted programs of the Department of Transportation

(hereinafter referred to as "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

- B. Nondiscrimination:** Contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- C. Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.
- D. Information and Reports:** Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by Metro or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to Metro, or the FTA, as appropriate, and shall set forth what effort it has made to obtain the information.
- E. Sanctions for Noncompliance:** In the event of Contractor's noncompliance with the nondiscrimination provisions of this contract, Metro shall impose such contract sanctions as it or the FTA may determine to be appropriate, including, but not limited to:

 - (1) Withholding of payments to Contractor under the contract until Contractor complies, and/or,
 - (2) Cancellation, termination or suspension of the contract, in whole or in part.
- F. Incorporation of Provisions:** Contractor shall include the provisions of subparagraphs a through e of this Paragraph in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations, or directive issued pursuant thereto. Contractor shall take such action with respect to any subcontract or procurement as Metro or the FTA may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Contractor may request Metro to enter into such litigation to protect the interests of Metro, and, in addition, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. Cargo Preference

Contractor agrees:

- A. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.
- B. To furnish within 30 days following the date of loading for shipments originating within the United States, or within 30 working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in subparagraph A of this Paragraph to Metro (through Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington, D.C. 20550, marked with appropriate identification of the Project.
- C. To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this contract.

5. Conservation

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

6. Buy America

This procurement is subject to the Federal Transit Buy America Requirements in 49 CFR Part 661.

Section 165a of the Surface Transportation Assistance Act of 1982, as amended, permits FTA participation in this contract only if steel and manufactured products used in the contract are produced in the United States. By signing this contract, Contractor certifies that it will comply with requirements of section 165a of the Surface Transportation Assistance Act of 1982, as amended, and the regulations in 49 CFR Part 661.

7. Interest of Members of, or Delegates to Congress

No member of, or delegate to, the Congress of the United States shall be admitted to a share or part of this contract or to any benefit arising therefrom.

8. Prohibited Interest

Metro's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to subagreements.

9. Debarred Bidders

Neither Contractor, nor any officer or controlling interest holders of Contractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government or by the State of Oregon.

10. Maintenance and Inspection of Records

- A. Contractor shall maintain comprehensive records and documentation relating to this contract, and shall permit the authorized representatives of Metro, the U.S. Comptroller General, or the U.S. Department of Transportation to inspect and audit all records and documentation for a period of three (3) years after Metro has made final payment to Contractor.
- B. Contractor shall include in all of its subcontracts hereunder a provision to the effect that the subcontractor agrees that Metro, the U.S. Comptroller General or the U.S. Department of Transportation shall, until the expiration of three (3) years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding \$10,000.00, and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.
- C. The period of access and examination for records that relate to (1) litigation of the settlement of claims arising out of the performance of this Contract, or (2) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his or her duly authorized representatives, shall continue until such litigation, claims or expectations have been disposed of.

11. Lobbying Prohibition/Certifications/Disclosures

This contract is subject to Section 319, Public Law 101-121 (31 U.S.C. 1352) and regulations promulgated thereto by the Office of Management and Budget, pursuant to which Metro may not expend funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. By signing this contract, Contractor agrees to comply with these laws and regulations.

A. Definitions. As used in this clause,

"Agency," as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal action" means any of the following Federal actions:

- (1) The awarding of any Federal contract;**
- (2) The making of any Federal grant;**
- (3) The making of any Federal loan;**
- (4) The entering into of any cooperative agreement; and,**
- (5) The extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.**

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established or otherwise recognized by a State for the performance of a government duty including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (1) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment;**
- (2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;**
- (3) A special Government employee as defined in section 202, title 18, U.S. Code; and,**
- (4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U.S. Code appendix 2.**

"Person" means an individual, corporation, company association, authority, firm, partnership, society, State and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organizations or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation" means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation

for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment" means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient" includes all contractors and subcontractors at any tier in connection with a Federal contract. The term excludes an Indian tribe, tribal organization or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed" means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional or interstate entity having governmental duties and powers.

B. Prohibition.

(1) Section 1352 of title 31, U.S. Code provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

(2) The prohibition does not apply as follows:

(i) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph B(1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(b) For purposes of paragraph B(2)(i)(a) of this section, providing any information specifically requested by an agency or Congress is allowable at any time.

- (c) For purpose of paragraph B(2)(i)(a) of this section the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action:
 - (1.) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale and service capabilities; and,
 - (2.) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
 - (d) For purposes of paragraph B(2)(i)(a) of this section, the following agency and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered Federal action:
 - (1.) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;
 - (2.) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and,
 - (3.) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.
 - (e) Only those activities expressly authorized by paragraph B(2)(i) of this section are allowable under paragraph B(2)(i).
- (ii) Professional and technical services by Own Employees.
- (a) The prohibition on the use of appropriated funds, in paragraph B(1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract or an extension, continuation, renewal, amendment or modification of a Federal contract if payment is for professional or technical services rendered directly in the preparation, submission or negotiation of any bid, proposal or application for that Federal contract or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract.
 - (b) For purposes of paragraph B(2)(ii)(a) of this section, "professional and technical services" shall be limited advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a

licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspect of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

- (c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award document.
- (d) Only those services expressly authorized by paragraph B(2)(ii) of this section are allowable under paragraph B(2)(ii).

(iii) Reporting for Own Employees.

No reporting is required with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iv) Professional and technical services by Other than Own Employees.

- (a) The prohibition on the use of appropriated funds, in paragraph B(1) of this section, does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission or negotiation of any bid, proposal or application for that Federal contract or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract.
- (b) For purposes of paragraph B(2)(iv)(a) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not all allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in

the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

- (c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.
- (d) Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
- (e) Only those services expressly authorized by paragraph B(2)(iv) of this section are allowable under paragraph B(2)(iv).

C. Disclosure.

- (1) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, set forth in this document, that the person has not made, and will not make, any payment prohibited by paragraph (b) of this clause.
- (2) Each person who requests or receives from an agency a Federal Contract shall file with that agency disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities", if such a person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (b) of this clause if paid for with appropriated funds.
- (3) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph c(2) of this section. An event that materially affects the accuracy of the information reported includes:
 - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or,
 - (b) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or,

- (c) A change in the officer(s), employee(s) or member(s) contacted to influence or attempt to influence a covered Federal action.
- (4) Any person who requests or receives from a person referred to in paragraph (C)(1) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph C(1) of this section. That person shall forward all disclosure forms to the agency.

D. Agreement.

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

E. Penalties.

- (1) Any person who makes an expenditure prohibited under paragraph B of this clause shall be subjected to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.
- (2) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (3) Contractors may rely without liability on the representations made by their subcontractors in the certification and disclosure form.

F. Cost Allowability.

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

s:\pd\forme\regs
08/30/93

EXHIBIT "B"

AMENDMENT NO. 1

CONTRACT EXTENSION

That Contract No. 903389 between Metro and ECO Northwest, hereinafter referred to as "CONTRACTOR," effective October 11, 1993, for a maximum amount of \$100,000.00, is hereby amended to add the following addition to the Scope of Work:

The Westside Station Area Program's (TSAP) adopted Detailed Work Program includes a task to perform economic analysis and projections (Task 8). The analysis is intended to serve as a starting basis for preparing and evaluating impacts of alternative station area development/design concepts.

Described in the following pages is a Scope of Work for the completion of Task 8. The work scope has been developed in recognition of other planning efforts presently underway. In particular, selected tasks have been designed to be completed in conjunction with the Metro 2040 project.

The results of the work effort will be a comprehensive analysis of the short- and long-term employment and housing markets. The forecasts will be based on analysis performed at the regional and county levels as well as more detailed analysis conducted for the LRT corridor. However, the analysis will not result in site specific forecasts within station areas. The determination of site specific forecasts will require the performance of detailed short-term market analysis which will be conducted at the discretion of individual jurisdictions.

Task 8 -- Economic Analysis/Projection

Task 1 Structural Composition of the Economy

The Contractor will perform an analysis of the structural composition of the economy which includes a portrayal of the current and projected economic drivers. The analysis will begin with a depiction of the Northwest economy, proceed to examine the Portland Metropolitan Area (PMA) economy in relation to the Northwest, review and contrast the unique characteristics of the Washington County economy, and finally evaluate the westside LRT corridor. The analysis will examine several time periods including 1995, 2005, 2015 and 2040. The most detailed analysis will be for the years 2005 and 2015.

The Contractor will primarily rely on existing economic models, other national and regional studies, and site specific market analyses that have been completed for several westside LRT station sites. The analysis will utilize the Metro 2040 Project's population and employment projections as control totals for the years 2015 and 2040. Sub-regional (county level) allocations will also be utilized.

The outcome of this effort will be a technical memorandum that describes the results of the analysis. The technical memorandum should be completed in February 1994.

Task 2 Projected Demand for Business Activity and Housing

The Contractor will utilize the results of Task 1 and other economic analyses being performed as part of the Metro 2040 Project to provide forecasts of the projected levels of activities in various business and housing markets. The forecasts will be presented for the Portland metropolitan area for the commercial retail, office, light industrial, heavy industrial, health and institutional business sectors. A forecast of single family and multi-family housing units will also be provided. The forecasts will be prepared for several time periods including 1995, 2005, 2015 and 2040. The most detailed analysis will be performed for 2005 and 2015. In consideration of the high level of uncertainty regarding this type of forecasting, the forecasts will be presented as a low to high range.

The outcome of this effort will be a technical memorandum that describes the results of the analysis. The technical memorandum should be completed in February 1994.

Task 3 Identification of Alternative Land Development Opportunity Areas

The Contractor, working in conjunction with Metro and Washington County, will identify other areas in the Portland metropolitan area that offer significant land development opportunities. This examination will provide an indication of the potential under or over supply of vacant or redevelopable land required to accommodate the projected levels of economic and residential activity as quantified in Task 2. While the work will be performed for the Portland metropolitan area, the analysis will provide more indepth review of opportunities in Washington County. Similar to other tasks, the analysis will be performed for the time periods 1995, 2005, 2015 and 2040 with primary focus to be placed on 2005 and 2015.

The outcome of this effort will be a technical memorandum that describes the results of the analysis. The technical memorandum should be completed in February 1994.

Task 4 Comparative Analysis of the Competitive Advantage of Westside LRT Station Sites to Other Regional Opportunities

The Contractor will perform an economic analysis which identifies the potential competitive advantages, if any, of station areas in relation to other development opportunities in the Portland metropolitan area and within Washington County. The analysis will not be performed on a station by station basis, but rather will review factors relating to LRT accessibility, access to other transportation modes, levels of vacant land; redevelopment opportunities and other such factors for various like segments within the LRT corridor. The analysis should be performed for 1995, 2005, 2015 and 2040 with emphasis to be placed on the 2005 and 2015 time periods.

As part of the analysis the Contractor will also identify factors, that if not present could also influence the success of the station areas. Examples of such factors might be adequacy of infrastructure, potential financing opportunities, etc.

The outcome of this effort will be a technical memorandum that describes the results of the analysis. The technical memorandum should be completed in March 1994.

Task 5 Preliminary Examination of Unique Market Advantages of Individual Station Areas within the Westside LRT Corridor

The Contractor will perform a cursory review of the station areas to identify any unique market opportunities that may be present. This examination will seek to identify any prevailing or projected economic trends that could be maximized by unique characteristics of individual station sites. This review should be conducted in both the short- and long-term time periods.

The outcome of this effort will be a technical memorandum that describes the results of the analysis. The technical memorandum should be completed in March 1994.

Task 6 Summary, Findings and Recommendations

The Contractor will prepare a final report which relies on the results of the previous tasks. The Final Report will summarize the results of the previous work and present a series of findings with regard to the Westside LRT corridor's market potential within the near and far terms. The Final Report should also include a series of recommendations on considerations to be carried forward in the formulation of alternative station area development/design concepts.

The result of this task will be the preparation of a Final Report. A first draft of the Final Report should be completed in April 1994. A final version of the report should be completed within four weeks of the receipt of review comments.

Compensation for this additional work will be a maximum sum not to exceed FIFTY THOUSAND AND NO/100THS DOLLARS (\$50,000.00), with the total contract amount not to exceed ONE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$150,000.00).

For work completed, Contractor shall send Metro a separate invoice for 2040-related work covered under the original contract and station area planning work covered under this amendment. These invoices shall document services and products provided by Contractor as specified in this Scope of Work and supported by copies of all invoices for reimbursable costs. Metro shall pay approved invoices within thirty (30) days of approval.

All other terms of the Contract, including all applicable federal, state, and local laws, regulations and policies as referenced in Metro Contract No. 903389, remain in full force and effect.

Dated this ____ day of _____ 1994.

ECO NORTHWEST

METRO

By _____

By _____

Date _____

Date _____

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PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 94-1891 FOR THE PURPOSE OF AUTHORIZING AN EXTENSION TO METRO CONTRACT NO. 903389 AND TO EXEMPT THIS WORK FROM COMPETITIVE BIDDING, PURSUANT TO METRO CODE SECTION 2.04.054(a)(2)

Date: January 10, 1994

Presented By: Councilor Gardner

Committee Recommendation: At the January 6 meeting, the Planning Committee voted unanimously to recommend Council adoption of Resolution No. 94-1891. Voting in favor: Councilors Kvistad, Gardner, Devlin, Gates, McLain, Monroe, Moore, and Washington.

Committee Issues/Discussion: Terry J. Lassar, Senior Regional Planner for Westside Station Area Planning Program, presented the staff report. The resolution would extend the contract previously awarded to ECO Northwest for the 2040 Descriptive Indicators work to include an economic study related to the Westside Light Rail program.

Work elements two and three from the Descriptive Indicators project are particularly relevant to station area planning. Work element two involves the analysis of future demographic changes and market forces relating to the demand for and supply of housing by product type. Work element three involves a forecast for and supply of commercial industrial facilities in the year 2040.

Westside Station Area Planning is a two year program consisting of 15 separate task elements. One element is the economic analysis projection of the Westside Light Rail Corridor. This analysis will serve as the starting point for preparing and evaluating the impacts of alternative station area development design concepts and will provide a comprehensive analysis of both the short and long term housing and employment markets.

ECO Northwest's 2040 work will focus on the entire region as it will exist in the year 2040. Westside Station Area analysis involves a shorter time frame, concentrating on the years 2005 and 2015. Likewise the area will focus on areas in Washington County only. The Descriptive Indicators contract is for \$100,000. Adding the Westside study will increase the contract between \$35,000 - 50,000. The department believes that the expertise of ECO Northwest is the highest level available and that combining the work provides for greater efficiency, consistency and compatibility between the two projects.

Under Metro Code there are several circumstances that would allow for such a project to not be competitively bid. This includes: 1) when there are less than three potential contractors qualified to provide the service; and 2) when the quality and types of services required makes it unnecessary or impractical to solicit proposals.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 94-1891 FOR THE PURPOSE OF AUTHORIZING AN EXTENSION TO METRO CONTRACT NO. 903389 AND TO EXEMPT THIS WORK FROM COMPETITIVE BIDDING, PURSUANT TO METRO CODE SECTION 2.04.054(a)(2)

Date: December 20, 1993

Presented by: Terry J. Lassar

FACTUAL BACKGROUND AND ANALYSIS

In October 1993, ECO Northwest was selected through an RFP process to conduct a "Descriptive Indicators" analysis of the different growth concepts being considered under the 2040 Program. Metro Contract No. 903389, attached here as Exhibit "A," was awarded in the amount of \$100,000. As part of Work Element 3 of the contract -- Commercial and Industrial Market Analysis -- ECO Northwest will forecast the demand for and supply of commercial and industrial facilities in the year 2040. As part of Work Element 2 -- Housing Demographic/Market Analysis -- ECO Northwest will analyze future demographic changes and market forces as they relate to the demand for and supply of housing by product type.

The information generated under these two work elements will provide the groundwork for related economic studies for the Westside Station Area Planning Program. The adopted "Detailed Work Plan" calls for an economic analysis/projection of the Westside Light Rail Corridor. This analysis will serve as the starting point for preparing and evaluating the impacts of alternative station area development/design concepts. The work will provide a comprehensive analysis of both the short- and long-term employment and housing markets. The work consists of the following six tasks:

- Task 1 -- Structural Composition of the Economy
- Task 2 -- Projected Demand for Business Activity and Housing
- Task 3 -- Identification of Alternative Land Development Opportunity Areas
- Task 4 -- Comparative Analysis of the Competitive Advantage of Westside LRT Station Sites to Other Regional Opportunities
- Task 5 -- Preliminary Examination of Unique Market Advantages of Individual Station Areas within the Westside LRT Corridor
- Task 6 -- Summary, Findings and Recommendations

Refer to Contract No. 903389 Amendment 1, attached here as Exhibit "B."

Tasks 1 and 2 are logical extensions of the descriptive indicators work under the 2040 Program. The primary differences in the analyses for the two projects are the timeframes and the geographic areas. ECO Northwest's work for the 2040 Program will focus on the entire region as it will exist in the year 2040. By contrast, the westside station area analysis involves a shorter timeframe and concentrates mainly on the years 2005 and 2015. Likewise, the geographic areas under the station area analysis will be less expansive and will focus mainly on Washington County, with detailed analysis of the Westside Light Rail Corridor.

The two contracts call for similar analytic approaches. ECO Northwest's solid track record as well as the impressive credentials of the ECO Northwest staff, helped the firm win the initial RFP for the 2040 work. Two of the firm's senior members -- Terry Moore and Randy Pozdena -- who are directing the 2040 contract, would also be the principal staff involved in the station area project. Therefore, for the same reasons that ECO Northwest was deemed the most qualified to perform the descriptive indicators contract, it would appear that they also would provide the quality and type of services called for under the station area program. Thus, it would be unnecessary to solicit additional proposals from other consultants. Moreover, it would be inefficient. In undertaking the work for the Westside Station Area Program, ECO Northwest would use, with some modifications, some of the same models it developed specifically for the earlier 2040 contract.

An additional reason for retaining the same consulting firm for the two contracts is the need for consistency. It is important that the underlying assumptions and methodologies used for the two economic contracts be compatible so that the resulting data generated from two studies will be comparable. This level of consistency will be more difficult to achieve if different firms are employed for the two contracts.

For all the reasons stated above, the most practical course of action is to treat the westside station area work (which is not to exceed the amount of \$50,000) as a logical extension of the descriptive indicators contract. The 2040 work will be completed in February 1994 and the economic projections for the Westside Light Rail Corridor is to be completed in April 1994.

RFP Competition occurred in July, 1993 and a contract was executed on December 2, 1993. This five month process allowed the project to be publicly advertised, 135 potential consultants contacted, and resulted in the personal interview of only two finalists. Of the two finalists, ECO Northwest was judged by the Planning Committee to have the most advantageous proposal by a clear margin of 57 points.

Based upon the results of that competition, it is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; and inclusion of this work as an amendment to contract no. 903389 without a further time-consuming and costly competitive process will result in substantial cost savings to Metro.

PROPOSED ACTION

Now, therefore, the facts as set forth clearly satisfy the findings required by ORS 279.015 and Metro Code Section 2.04.054 (a)(2) allows the Contract Review Board, under certain circumstances, to exempt personal services contracts from the general requirement for competitive bidding. These circumstances include the situation where there are fewer than three potential contractors "qualified to provide the quality and type of services required" and where "the quality and type of services required make it unnecessary or impractical to solicit proposals."

EXECUTIVE OFFICER'S RECOMMENDATION

The situation, as presented, provides ample justification for the Contract Review Board to waive competitive bidding of the economic analysis/projection work for the Westside Light Rail Corridor and to treat the project as an extension of the existing 2040 Metro Contract No. 903389.

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