

Council Convention Center Committee Minutes  
Tuesday, December 13, 1988  
4:00 P.M.  
Convention Center Project Office

Attending: Councilors Kelley, Knowles, Waker, Van Bergen  
Staff: Neil Saling, Berit Younie, Glenn Taylor,  
Jessica Marlitt  
Guests: Charles Ahlers, Chris Stone, Jan Schaeffer,  
Lee Feherenkamp, Dominic Buffetta, Cathie  
Shelton, Nancy Meyers, Mitzi Scott, Chris  
Thomas, Jeff Rodgers

Chairman Knowles called the meeting to order at 4:05 P.M.

Agenda Item No. 1, Approval of Minutes

Chairman Knowles moved that minutes of November 22, 1988 meeting be approved.

VOTE: Unanimous.

Agenda Item No. 2, Ordinance No. 88-279, Amending Chapter 2.04 of the Metro Code Relating to Metro ERC Contracting Procedures

Jessica Marlitt reported on this item, stating that the policies, as amended, are generally consistent with the existing Metro contracting policies. She recounted the history of this item, stating that the contracting procedures were before this committee for informal review previously and the Van Bergen Task Force had identified some inconsistencies; that these inconsistencies had been the subject of discussion between Metro and Metro ERC staff and all issues had been resolved; that Metro ERC had adopted the revised policies on November 22, 1988 and that these revised policies are the subject of Ordinance No. 88-279.

Councilor Kelley inquired as to the \$31,000 limit of contracting per year per contractor. Jessica Marlitt responded that the figure was derived from an original amount which has been adjusted annually by the Consumer Price Index (CPI).

Neil Saling asked about the 10% limit on change orders. Lee Feherenkamp responded that this policy was designed to give staff flexibility to approve change orders of a small magnitude (10% of total amount of the contract). Any changes above this amount would have to be considered by the Commission.

MOTION: Councilor Van Bergen moved to approve Ordinance 88-279.

VOTE: Unanimous

Agenda Item No. 3, First Quarter Progress Report--Metro ERC

Lee Feherenkamp reported on this item, asking Dominic Buffetta to "walk through" the first quarter Metro ERC budget and to highlight major policies as appropriate, which he did.

Buffetta concluded that resources for the period were \$500,000 (transfer from the General Fund) and that expenditures were \$264,652 (\$252,341 attributed to P/OVA contract; \$10,545 attributed to the Sales & Marketing Office/Staff).

Lee Feherenkamp reported that the major policies that have been implemented are the Purchasing and Personnel policies. Currently, there is a staff of three, Cathie Shelton, her assistant and a secretary. Jeff Blosser will assume his duties beginning January 9, 1989.

Cathie Shelton then reported on the marketing efforts of the Sales & Marketing office. She presented the four major pieces which have been produced; two issues of the newsletter; a direct mail piece; and a Sales Packet. In addition, a "Bid Book" has been developed in conjunction with P/OVA. Shelton also reported on business trips made by herself and Lee Feherenkamp during the last quarter.

Charles Ahlers reported on the the marketing efforts of P/OVA. He reported that, generally, P/OVA is meeting or exceeding booking/lead goals for the fiscal year. P/OVA is also ahead of, or on schedule in regards to various other marketing activities (formal bid presentations, sales trips, etc).

Councilor Knowles questioned how successful the executive airlifts were in generating bookings. Chris Stone responded that the airlifts were very successful; he estimated that 30-40% of the attendees eventually book a convention.

Lee Fehrenkamp then presented a bar chart which depicted tentative bookings measured in Exhibit Hall Days (See attached).

Councilor Van Bergen requested and received a more detailed explanation of some items on the Metro ERC budget from Dominic Buffetta. Councilor Van Bergen noted that he would be in a position to consider this budget once again as a member of the Finance Committee.

Agenda Item No. 4, Update on Metro Consolidation Task Force Work Program

Councilor Knowles introduced this item by stating that he requested Chris Thomas, the attorney representing the City, give an introductory briefing to the Committee of the City's consolidation efforts. Chris Thomas began by introducing Jeff Rodgers, Portland City Attorney, and preceded to give a background of efforts to date.

The City established a Task Force on consolidation. The members are Jeff Rodgers, Pete Kastings (city attorney), Marge Kaoufory, Lee Fehrenkamp and Dominic Buffetta. In addition, Mitzi Scott, Steve Bower (city fiscal office) and David Judd (aide to Mike Lindberg) have participated.

The Task Force retained Chris Thomas, who in turn has subcontracted with Steve Segal for a portion of the work. Four tasks have been ongoing; (1) gathering data, historical and current; (2) interviewing interested parties; (3) preparing a series of reports (chronology, technical papers on legal, personnel issues); and (4) developing proposed goals and objectives.

The proposed goals and objectives range from a total transfer to Metro ERC option to a "do nothing" option. There are four in between options; (1) joint operating agency; (2) joint facilities; (3) joint policies; and (4) shared employees.

As a result of these proposed goals/objectives, a two page Policy Paper was developed. The basic principals of this Policy Paper are: (1) recognition of different forms of consolidation; (2) recognition of city perspective based on city/regional goals; (3) recognition of the differences between City and Metro (workload, history, etc.), resulting in possibly different goals/objectives; (4) recognition of the range of City options; (5) recognition of risks relating to City assets resulting in the necessity of a phased implementation strategy.

The Policy Paper concluded by finding: (1) specific fiscal benefits necessitated some level of consolidation (including the Expo Center); (2) an Intergovernmental Agreement to be

considered regarding the four "in between" options; (3) at this time the City should not consider wholesale transfer of City facilities to Metro; and (4) City should eventually consider transfer of all but physical assets to Metro.

Chris Thomas concluded by stating that the concerns the City has when considering a long term transfer arrangement are the stability of Metro, including fiscal; the autonomy of MERC; and a possible divergence of general operating philosophies (the Performing Arts Center should continue as a cultural center). He noted that it would be inopportune for the City to transfer ownership of some assets while they are still paying off debt and indicated that a major remodeling of a particular asset may present a good opportunity to transfer ownership through funding of the remodel.

Jeff Rodgers indicated that the City has initiated discussions at the Council level, in preparation of commencing negotiations with Metro. He stressed that no decisions or stances have been finalized and that the City was ready to proceed with negotiations as soon as Metro was prepared.

Agenda Item No. 5, Update on Janz Condemnation Case

Berit Younie reported on this item, noting briefly that the case was heard in Multnomah Circuit Court and that a jury decision had been delivered two weeks previously. The judgment was \$695,000, much less than the \$900,000 requested by Janz. The jury award was encouraging, though final disposition is awaiting final orders from the judge. Appeals are possible.

Agenda Item No. 6, Construction Project Status Report

Glenn Taylor reported on this item. He began by stating that work on site was approximately 5.5% complete. Taylor responded to Councilor Waker's question regarding the impact of the delayed steel erection stating that until Hoffman - Marmolejo's complete construction schedule has been submitted and reviewed, the magnitude of the delay is unknown. This schedule is due by the end of the year.

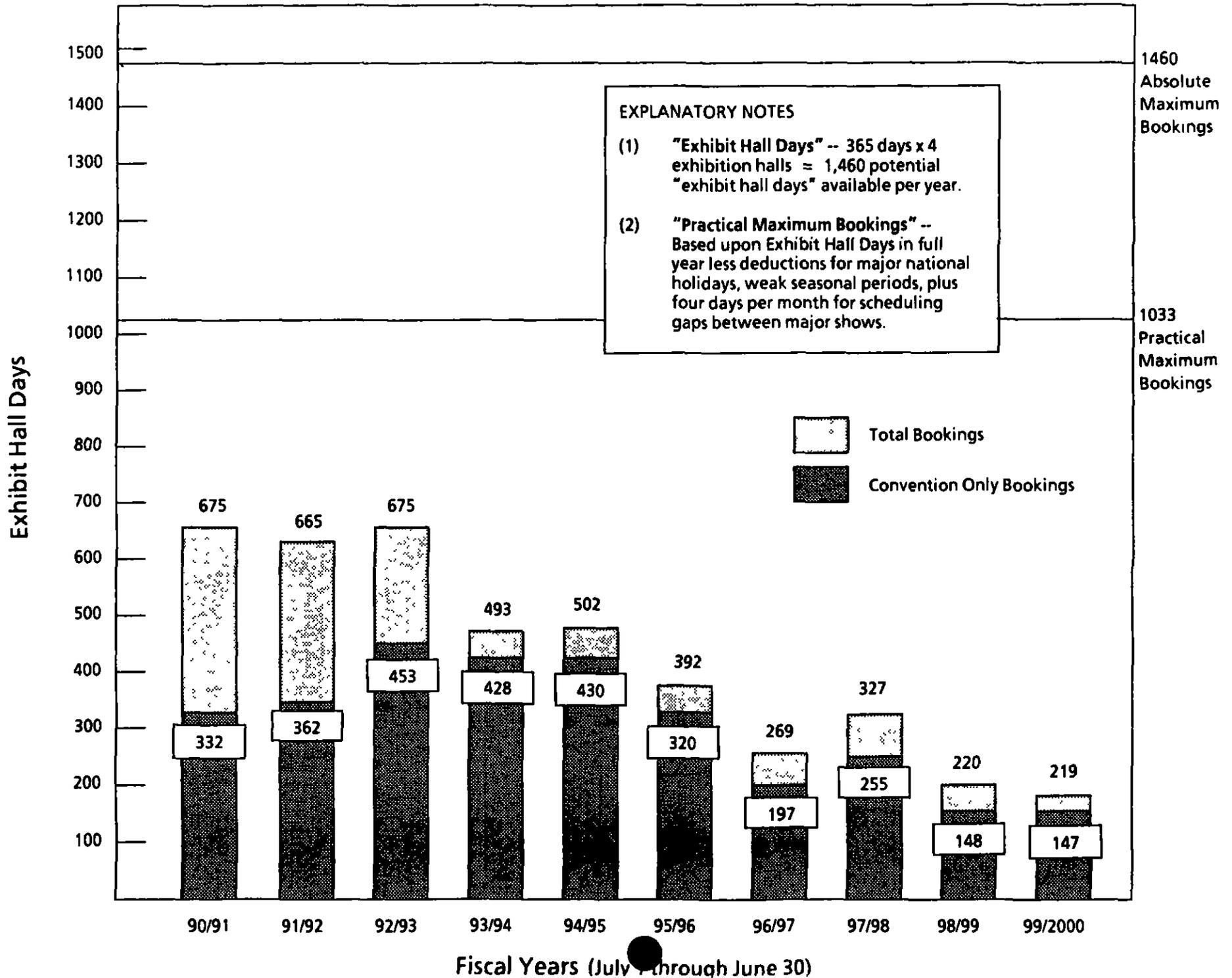
Councilor Knowles adjourned the meeting at 5:35 p.m.

Respectfully Submitted,

*Berit Younie*

Berit Younie

# OREGON CONVENTION CENTER SALES GRAPH



STAFF REPORT

AGENDA ITEM: \_\_\_\_\_

MEETING DATE: December 13, 1988

CONSIDERATION OF ORDINANCE NO. 88-279, AMENDING CHAPTER 2.04  
OF THE METRO CODE RELATING TO METROPOLITAN EXPOSITION-  
RECREATION COMMISSION CONTRACT PROCEDURES

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Date: December 7, 1988

Presented by: Jessica Marlitt,  
Council Analyst

BACKGROUND & ANALYSIS

Ordinance No. 88-279 amends the Metro Code contracting procedures for the Metro ER Commission as follows:

- o Exempts from formal bidding all contracts estimated to be less than \$31,000;
- o Provides emergency contracting authority to the General Manager, consistent with the Metro Executive Officer's authority granted by the Council, providing that the General Manager report any emergency contracts to the Metro ER Commission at the next regularly scheduled meeting; and
- o Exempts from formal bidding or procurement procedures contracts for equipment repair or overhaul when the service, parts or repair costs are unknown or cannot be determined without "extensive preliminary dismantling or testing;" consistent with State contracting provisions under OAR 125-310-035 (1).

As you will recall, the Metro ER Commission forwarded Ordinance No. 88-279 with the Commission's proposed Purchasing Policies for informal Convention Center Committee review August 3, 1988. Councilor Van Bergen, on behalf of the Committee, reviewed the policies and submitted a report to the Committee September 22, 1988 (Exhibit A to the attached October 6 memo). Councilor Van Bergen's report raised five issues for discussion and the Committee directed Council staff to meet with Metro ER Commission staff to review the issues and prepare responses. Staff met October 5, 1988 and prepared changes to the purchasing policies and Ordinance No. 88-279 to respond to Councilor Van Bergen's issues. Staff submitted the meeting results to Councilor Knowles, Convention Center Committee Chair, and Councilor Van Bergen in the attached October 6 memo. Metro ER Commission staff also reported the staff meeting results to the Commission in the attached November 18, 1988 memo. On November 22, 1988 the Metro ER Commission adopted purchasing policies -- via Resolution No. 15 -- which incorporated the revisions developed by staff.

Adoption of Ordinance No. 88-279 would amend the Metro Code Purchasing provisions to make them consistent with the Metro ER Commission's adopted purchasing policies.



**METRO**

# Memorandum

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

Date: October 6, 1988

To: Councilor David Knowles, Chair  
Council Convention Center Committee

Councilor George Van Bergen  
Council Convention Center Committee

From: Jessica <sup>JM</sup> Marlitt, Council Analyst

Regarding: STAFF FOLLOW-UP TO THE REVIEW OF THE METRO E-R COMMISSION  
DRAFT PURCHASING POLICIES DISCUSSED AT THE SEPTEMBER 27  
CONVENTION CENTER MEETING

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## BACKGROUND

Per the request of the Convention Center Committee at its September 27 meeting, Council staff met with Metro E-R Commission staff to review the Commission's draft purchasing policies and the five issues raised in Councilor Van Bergen's September 22, 1988 memo (attached as Exhibit A). The five issues are summarized as follows:

- 1) The Metro E-R Commission's purchasing policies do not have a provision addressing the aggregate dollar amount of contracts allowed with a single contractor, during any fiscal year, without competitive bidding.
- 2) The Metro E-R Commission's policies do not include provisions for contract extensions and amendments and their approval process.
- 3) Contract documentation requirements are not stipulated in the Commission's policies and, under the proposed ordinance to revise the Metro Code, the requirement that the Commission file copies of all contracts and amendments with Metro's Department of Finance & Administration be removed.
- 4) The Commission proposes 3 additional bid exemptions:
  - A) for all contracts estimated to be less than \$31,000 with the \$31,000 adjust annually based on the Consumer Price Index (CPI);
  - B) for emergency contracts under the General Manager; and
  - C) for equipment repair or overhaul when the required service/parts costs cannot be determined without extensive preliminary dismantling or testing. As noted in the September 22 memo, b and c are consistent with Metro Code and State Administrative Rules, respectively.
- 5) MERC's policies adopt, but do not list out, Metro's Disadvantaged Business Program policies and procedures.

October 6, 1988

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FOLLOW-UP RESULTS

The Council staff and Metro E-R Commission staff met October 5 and discussed the above 5 issues. The meeting resulted in Commission staff agreeing to recommend to the Commission changes as highlighted below under each issue's response.

o Issue 1: Commission staff noted that the Commission monitors year-to-date aggregate contract amounts and, as contracts will be tracked through the Metro system as well, this language does not appear necessary. No changes anticipated.

o Issue 2: Regarding contract extensions and amendments, the Commission's policies do not have language addressing their process because specific change order language is included in each RFP and resulting contract. Each contract is handled separately but for any contract extension, amendment or change order exceeding 10% of the initial contract value, it must go before the Commission for approval. No changes anticipated.

o Issue 3: Commission staff agreed that filing a copy of the Commission's contracts with Metro's Finance & Administration should not be a problem. Change anticipated - maintain language in the Metro Code which requires that the Metro E-R Commission file copies of all contracts and contract amendments with the Department of Finance & Administration.

o Issue 4: Council staff noted the Convention Center Committee's preference to not see the Commission's \$31,000 limit tied to the CPI index which does not directly relate to the Commission's contracting needs. As noted in the attached memo, it seems preferable to amend policies to adjust the \$31,000 as needed based on actual contract processing needs; not on the incremental CPI annual adjustments. Commission staff agreed with this observation. Change anticipated - remove the language in the Commission policies which calls for automatic annual adjustment to the \$31,000 limit based on the CPI. Introduce language which would direct that changes be made as necessary.

o Issue 5: Staff acknowledged that not all contractors who work with the Commission will be exposed to the Metro Code and the DBE/WBE policies. Commission staff agreed that the Metro DBE/WBE policies, adopted by statement in the Commission purchasing policies, should be fully printed in the purchasing policies as well. Change anticipated - print the full Metro DBE/WBE policies in the Commission purchasing policies.

As suggested by the Commission staff, Council staff will attend the next Commission meeting, Tuesday, October 11, to help brief the Commission on the above purchasing policy issues and suggested changes. Commission staff also drafted a brief memo to the Commission members reviewing the staffs' discussion and proposals.



MEIKO

# Memorandum

2000 S.W. First Avenue  
Portland, OR 97201-5395  
503/221-1616

## EXHIBIT A

Date: September 22, 1988

To: Councilor David Knowles, Chair  
Council Convention Center Committee

From: Councilor George Van Bergen *GV*

Regarding: REVIEW OF THE METROPOLITAN EXPOSITION-RECREATION  
COMMISSION'S (MERC) DRAFT PURCHASING POLICIES

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Per your request at the Convention Center Committee meeting August 3, I have reviewed MERC's draft purchasing policies. The review's purpose was to identify any policy differences or issues in MERC's proposed rules compared to Metro's purchasing policies and raise these points prior to MERC's adoption of the policies. Summarized below are general issues which the Committee may want to consider and discuss with MERC as the Commission finalizes their policies. In noting these issues and areas where MERC's policies differ from Metro's, it is recognized that the Commission probably has very sound reasons for their rules. I appreciate the opportunity afforded the Committee to offer our thoughts on the policies before MERC formally adopts them.

### General Issues

1. Metro Code Section 2.04.042 (2) requires that "No contractor may be awarded in the aggregate, within the fiscal year, contracts in excess of \$30,000 without competitive bidding. In computing the aggregate under this subsection, awards under \$500 shall not be included." This provision prevents any circumvention of the competitive bid process through the use of small contracts to a single contractor. MERC's policies do not include this provision.
2. MERC's policies do not include provisions for contract extensions and amendments and their approval process.
3. Under the Metro Code 2.04.030 "Rules and Procedures Governing All Personal Services and Public Contracts," section (c) details the contract documentation required in the Department of Finance and Administration's central contract files. This documentation requirement links with section (f) which calls for the Executive Officer to report monthly to the Council on all contracts and amendments or extensions. MERC's policies do not stipulate documentation requirements nor provide for regular contract reporting to the Commission, Metro, or the Council. MERC's proposed ordinance revising the Metro Code would remove the requirement that MERC "file copies of all contracts and amendments thereto with the Department of Finance and Administration."

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4. The Commission proposes 3 additional competitive bid exemptions to Metro's code:
  - A) All MERC contracts estimated to be less than \$31,000, with the \$31,000 adjusted annually by the percentage increase or decrease in the Consumer Price Index for the Portland Metropolitan Area;
  - B) MERC emergency contracts whereby the General Manager makes written findings and reports to the Commission on the contracts at its next regularly scheduled meeting;
  - C) MERC contracts for equipment repair or overhaul when the service and/or parts required are unknown before the work begins and the cost cannot be determined without extensive preliminary dismantling or testing.

Exemptions B and C above are consistent with Metro Code and State Administrative Rules, respectively. Exemption A is based on the City ER Commission's practices. The Metro Code exempts materials and services contracts up to \$15,000 from formal bid processes.

5. MERC's policies adopt, but do not list out, Metro's Disadvantaged Business Program policies and procedures. Metro's DBE Program established an "interdepartmental contract management committee ... to monitor and discuss potential DBE and WBE participation in contracts". Should MERC participate in this committee?

Outlined below is a brief discussion of each of these issues. Other issues were initially identified but resolved after reviewing policy language with Metro's General Counsel. Counsel did offer a wording change to the first section of MERC's purchasing policies. The proposed amended language is attached as Exhibit A.

To facilitate the Committee's discussion of MERC's purchasing policies, summary comparisons of the MERC and Metro policies are also attached as Exhibits B & C.

#### Discussion

Issue 1: The Metro policies prohibit contracting for more than \$30,000 in total with a single contractor without going through formal competitive bidding. As noted above, this provision prevents circumventing the competitive bid process and assures that the District fulfills its open, competitive purchasing process. As a body managing public facilities, MERC should also adopt this standard with an appropriate dollar ceiling.

Issue 2: To prevent any confusion, the Commission should add a section addressing contract extensions and amendments. The Metro language could serve as a guide.

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Issue 3: The proposed deletion of the requirement for MERC to file copies of all contracts with Metro's Finance and Administration is an administrative change. The Council might consider the purpose of the filing and whether it should apply to MERC. Regarding public accountability, MERC's filing of contracts in Metro's central contract files would allow the District to report completely and consistently on its contracting efforts. Because MERC's policies do not provide for any regular contract reporting to the Commission, Council or Metro, the central filing of contracts becomes an important link in the District's accountability for following its contracting policies, particularly the Disadvantaged Business Program.

Issue 4: Each of the 3 proposed additional competitive bid exemptions for MERC is based on different precedent. The proposal for exempting equipment repair or overhaul from competitive bidding "when the service and/or parts required are unknown before the work begins and the cost cannot be determined without extensive preliminary dismantling or testing" is consistent with State OAR 125-310-035 (1). The emergency contract language mirrors the Metro Code provision for the Executive Officer. The \$31,000 limit is based on the City ERC's current policies and Portland's use of the CPI index for annual adjustments.

For the last proposal, the Council should consider the rationale for the CPI link and whether it is necessary. I believe that the CPI's incremental growth is not pertinent to the principle behind this policy -- to limit a government's ability to contract without an open, formal competitive process. To increase the limit, the Commission should be called upon to provide relevant savings data and information supporting the contention that increasing the limit does not obstruct the competitive bid process.

Issue 5: While the purchasing policies state the adoption of the Metro DBE/WBE provisions, MERC should list out these provisions in their policies. Related to Issue 3 and reporting, the Council should discuss with MERC planning for and tracking DBE/WBE contract participation.

Exhibit A

Review of MERC Purchasing Policies  
-  
Proposed Amended Language

1. Under Section 1.0 of MERC's purchasing policies, "Duties and Powers", the first sentence empowering MERC ...

"to enter into contracts, incur obligations and do all other acts and things necessary or convenient to carry out the purposes of providing convention, trade and spectator facilities." ...

should be amended to be consistent with Metro's Ordinance language to avoid any potential confusion. The proposed amendment would be as follows:

"to enter into contracts, incur obligations and do all other acts and things necessary or convenient to the exercise of the Powers of the Commission [carry out the purposes of] to provide [ing] convention, trade and spectator facilities.

This amended language conforms to MERC's enabling Ordinance No. 87-225, Section X.01.040 (p) which provides that the Commission shall have the power and authority ... "To do all other acts and things necessary, appropriate, or convenient to the exercise of the powers of the Commission."

JPM a:\mrcprch

EXHIBIT B

MATERIALS & SERVICES & EQUIPMENT CONTRACTS  
-  
SUMMARY OF REQUIRED ACTIONS & AUTHORIZATIONS

METRO \*

- 1) Under \$500 - Bids not reqrd.
- 2) \$501 to \$2,500 - Minimum 3 competitive quotes with at least 1 DBE/WBE contractor contacted; written record reqrd.; Director of initiating Dept. or Exec. Officer-approved designee may approve. Council approval not reqrd.

\$2,501 to \$10,000 - Same as above, Exec. Officer or Dep. E.O. must sign (in their absence, Direc. of Fin. & Admin. may sign if designated in writing)

\$10,001 to \$15,000 - same as above, Council Committee approval reqrd. prior to execution by E.O. or Dep. E.O.

- 3) \$15,001 to \$50,000 - Formal bid process reqrd.; all known DBE/WBE's in business of providing service or items reqrd. shall be mailed bid or proposal information; Council Committee approval reqrd. prior to execution by E.O. or Dep. E.O.

Over \$50,000 - Same as above; Council approval reqrd. prior to execution by E.O. or Dep. E.O.

MERC

- 1) Under \$2,500 - Bids not reqrd.
- 2) \$2,500 to \$31,000 - Minimum 3 competitive quotes with at least 1 DBE/WBE contract contacted; written record reqrd.; Asst. Gen. Mgr. Admin approval reqrd. before goes to Budget Control. Commission approval not reqrd.

- 3) Over \$31,000 - Formal bid process reqrd.; all known DBE/WBE's in business of providing service or items reqrd. shall be mailed bid or proposal information; Commission approval reqrd.

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\* Metro Code Section 2.04.042 (2) requires that "No contractor may be awarded in the aggregate, within the fiscal year, contracts in excess of \$30,000 without competitive bidding. In computing the aggregate under this subsection, awards under \$500 shall not be included."

EXHIBIT C

PERSONAL SERVICES CONTRACTS

SUMMARY OF REQUIRED ACTIONS & AUTHORIZATIONS

METRO

- 1) \$2,500 or Less - Dept. Direc. states in writing need for contract; quotes not reqrd.; Dir. of initiating dept. or E.O.-approved designee may approve if:
  - A) stand. contract form is used,
  - B) deviations to contract form approved by Legal Counsel,
  - C) expend. authorized in budget
  - D) appropriate scope of work attached to contract
  - E) contract does not further obligate Metro beyond \$2,500
  - F) contract is for entire proj. or purch., not a portion which, when complete will cost more than \$2,500
- 2) \$2,501 to \$10,000 - Minimum 3 competitive quotes with at least 1 DBE/WBE contractor contacted; solicitations may be done by phone, but must be documented in writing; eval. determined by Dept. Direc. but Personal Services form shall document reasons for selection; Dir. Fin. & Admin. approval reqrd.; E.O. or Dep. E.O. approval reqrd. (or Dir. F & A if designated in writing)
- 3) \$10,000 to \$50,000 - Formal RFP process reqrd.; advertising reqrd.; mails RFP to at least 3 potential contractors & all known DBE/WBE's in business of providing service reqrd.; Legal Counsel review reqrd.; use of Eval. Form reqrd. & use of oral interview or eval. team recommended; Council Committee approval reqrd. prior to execution.

MERC

- 1) \$2,500 or Less - Originating dept. states in writing need for contract; quotes not reqrd.; Asst. Gen. Mgr. for Admin. may approve if:
  - A) stand. contract form is used,
  - B) deviations to contract form approved by Asst. Gen. Mgr. Oper. or Admin., as appropriate,
  - C) monies avail. in budget
  - D) appropriate scope of work attached to contract
- 2) \$2,501 to \$10,000 - Minimum 3 competitive quotes with at least 1 DBE/WBE contractor contacted; solicitations may be done by phone, but must be documented in writing; quotes not nec. if only 1 qualified provider of service. Eval. criteria not specified; Asst. Gen. Mgr. Admin. approval reqrd.
- 3) Over \$10,000 - Formal RFP process reqrd.; advertising reqrd.; mails RFP to at least 3 potential contractors & all known DBE/WBE's in business of providing service reqrd.; Legal Counsel review reqrd.; Asst. Gen. Mgr. Oper. or Admin. & originating dept. evaluate proposals; Commission approval reqrd.

METRO

MERC

- 4) Over \$50,000 - Same as above,  
Council approval reqrd. prior  
to execution.

JPM a:\PSPRCH

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

An Ordinance amending Chapter 2.04 of the Metro Code relating to Metropolitan Exposition-Recreation Commission contract procedures.	} } } } } }	Ordinance No. 88- 279  Introduced by:  Convention Center Committee
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**WHEREAS, The Council of the Metropolitan Service District established by Ordinance No. 87-225 a Metropolitan Exposition-Recreation Commission (hereinafter the "Commission") to operate regional convention, trade and spectator facilities; and**

**WHEREAS, This Ordinance clarifies the role of the Council as the Contract Review Board for the Commission; and**

**WHEREAS, This Ordinance exempts the three classes of contracts listed in Exhibit A, attached hereto and by this reference incorporated herein, from the competitive bid process and these exemptions require that the findings detailed in ORS 279.015 (2) be adopted by the Council; and**

**WHEREAS, The required findings are 1) that it is unlikely that the exemptions will encourage favoritism in the awarding of public contracts or substantially diminish competition; and 2) that the exemption will result in substantial cost savings; and**

**WHEREAS, The Council, sitting as the Contract Review Board of the Commission, makes the above-described findings based upon the factors listed for each exemption class in Exhibit A; now, therefore,**

**THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:**

**Section 1. Section 2.04.035 is amended to read as follows:**

**"2.04.035 Metropolitan Exposition-Recreation Commission:**

**"The Metropolitan Exposition-Recreation Commission shall have authority to enter into contracts pursuant to Metro Code Section 6.01.04(j); provided, however, that prior to the adoption of contracting rules by the Commission such purchases shall be made pursuant to the procedures and policies set forth in this**

chapter; and provided further that the Metropolitan Service District Contract Review Board created pursuant to Section 2.04.020 of this Code shall be the local Contract Review Board for the Commission for the purpose of granting exemptions from competitive bidding or other requirements of public contract law. [For this purpose] The Metropolitan Exposition-Recreation Commission may without the prior approval of the Executive Office enter into contracts in any amount. No contract may be approved or executed for any amount in excess of the amount authorized in the budget.” [The Metropolitan Exposition-Recreation Commission shall file copies of all contracts and amendments thereto with the Department of Finance & Administration.]

**THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT, SITTING AS THE CONTRACT REVIEW BOARD FOR THE METROPOLITAN EXPOSITION-RECREATION COMMISSION, HEREBY ORDAINS:**

**Section 2. Section 2.04.041(b) is amended to read as follows:**

**“(b) Board Rule: The following classes of public contracts are exempt from the competitive bidding process based on the findings by the Contract Review Board that the exemption will not encourage favoritism or substantially diminishing competition for public contracts and that such exemptions will result in substantial cost savings:**

**“(1) Purchase and sale of Zoo animals.**

**“(2) Purchase and sale of Zoo gift shop retail inventory and resale items.**

**“(3) All contracts estimated to be less than \$15,000 provided that the selection process described in the appropriate Code sections is followed.**

**“(4) Contracts estimated not to exceed \$25,000 for road, highway or parking lot maintenance provided that at least three (3) competitive quotes are obtained, if available, and a record of said quotes and efforts to obtain them are maintained.**

**“(5) Emergency contracts when the Executive Officer makes written findings that an emergency exists and that the emergency consists of circumstances that could not have been reasonably foreseen and requires prompt execution of a contract to remedy that condition. An emergency contract must be awarded within sixty (60) days of the declaration of the emergency unless the Board grants an extension.**

**“(6) Purchase of food items pursuant to Section 2.04.090.**

"(7) Contracts for warranties in which the supplier of the goods or services covered by the warranty has designated a sole provider for the warranty service.

"(8) Contracts for computer hardware and software. Selection procedures for these contracts, however, must follow the RFP process outlined in Section 2.04.050, "Personal Services Contracts."

"(9) Contracts under which Metro is to provide a service only and incurs no financial obligation to another party.

"(10) Contracts for the lease or use of the Oregon Convention Center or other facilities operated by the Metropolitan Exposition-Recreation Commission.

"(11) For purchases by the Metropolitan Exposition-Recreation Commission, all contracts estimated to be less than \$31,000 provided that any rules adopted by the Commission which provide for substitute selection procedures are followed.

"(12) For purchases by the Metropolitan Exposition-Recreation Commission, emergency contracts when the General Manager makes written findings that 1) immediate procurement is essential to prevent a delay in work or extra expense to the Commission in circumstances which could not have been foreseen and avoided; 2) there is a threat of immediate damage to Commission property; or 3) there is an immediate danger to citizens or employees. The General Manager shall report to the Commission at its next regularly-scheduled meeting of any contracts entered into pursuant to this section.

"(13) For purchases by the Metropolitan Exposition-Recreation Commission, contracts for equipment repair or overhaul but only when the service and/or parts required are unknown before the work begins and the cost cannot be determined without extensive preliminary dismantling or testing."

ADOPTED by the Concil of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

\_\_\_\_\_  
Mike Ragsdale, Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of the Council

**EXHIBIT A**

**NEW CLASSES OF EXEMPTIONS AND FINDINGS REQUIRED  
BY ORS 279.015(2)**

**1. Establishment of \$31,000 Limit for Formal Purchasing**

**FINDING: Does not limit competition.**

- A. Encourages increasing competitive involvement by local, small business by eliminating the mystery, complexity and time-consuming nature of Commission procurement practices.**

**Formal bid specifications can be extremely lengthy and complicated causing many contractors who might be qualified to perform the work not to bid in a timely manner, or at all.**

- B. Small businesses, particularly women-owned and disadvantaged, have greater difficulty in securing the necessary bonds to meet the bid requirements. (All purchases which are bid must be accompanied by bid security and all public improvements require performance bonds.)**

- C. Purchases between \$2,500 and \$31,000 will be subject to three (3) quotes, one of which must be DBE/WBE.**

**FINDING: Cost Savings.**

- A. Cuts the costs incurred in specification preparation, Commission action, contract administration, advertising, printing and clerical costs and staff time.**

**Cost estimates in the Purchasing Division, City of Portland are that formal purchases cost approximately \$318, while an informal purchase costs approximately \$25. Additional costs can range from \$241 to \$872 per contract for the specification preparation, contract administration, clerical costs, staff time, etc.**

**Formalized bid specifications require reference to all applicable portions of federal, state and municipal laws, codes or regulations in relation to the designated project. This referencing requires in itself a great deal of coordination and staff time. This process generally requires many drafts of such information through its process of scrutiny and correction.**

- B. Eliminates costly delays in obtaining needed supplies and services due to formalized processing and handling procedures.

The formalized bid process may require up to an additional 45 days to complete.

- C. Cuts the cost of purchasing process by eliminating the excess paperwork requirements for the purchase of routine, non-controversial goods and services, e.g., paper products, janitorial products, office supplies, purchased labor, and unique building materiel.
- D. Harold Vaughn, former purchasing agent for the City of Portland, believes that over the 10-year history the single most important factor which saved money in the purchasing area was raising the \$2,500 formal bid limit to \$20,000 and tying the limit to the consumer Price Index for the Portland Metropolitan Area as determined by the U.S. Department of Labor, Bureau of Labor Statistics. By providing for the inflation factor, it has allowed the formal purchasing limit to increase over the years from \$20,000 to its current level of \$30,694.
- E. Quotes will be lower without the formal bid process because the vendor doesn't have to deal with bonds, which ties up their cash flow. There is also less paperwork and time involved in the process.

## 2. Emergency Purchases

FINDING: Does not limit competition.

- A. The very nature of emergency purchases precludes competition. The goods and services must be obtained immediately and no time is available in which to allow competition.

FINDING: Cost Savings

- A. Without prompt attention, many emergency situations result in aggravated, costly problems.
- B. The convention, trade and spectator business may require many unusual or unforeseen, event-related lessee requirements which must be provided as quickly as possible.

## 3. Equipment Repair or Overhaul

FINDING: Does not limit competition.

- A. It is impossible to write specifications in these situations because we have been unable to identify the problem. Unless the equipment is simply replaced, competition is irrelevant.

**FINDING: Cost Savings**

- A. Dismantling/repair is more cost effective than the purchase of new equipment.

NOTE: Due to the Length of the Document, Metropolitan Exposition-Recreation Commission Resolution No. 12 relating to the Commission's Personnel Rules, has not been included in this agenda packet. The Resolution has been distributed to all Metro Councilors. Other parties wanting a copy of the document may contact the Council Clerk, Marie Nelson, 221-1646, ext. 206.



**Memorial Coliseum Complex**

**Civic Stadium**

November 1, 1988

**MEMORANDUM**

**TO:** Metropolitan Exposition-Recreation Commission

**FROM:** *DB* Dominic Buffetta

**SUBJECT:** Metro ERC FY 1988-89 Budget and First Quarter Actual Resources and Expenditures

Schedule A attached is a summary (recap) of the Commission's approved FY 1988-89 Budget and a listing of actual resources and expenditures for the period July 1, 1988, through September 30, 1988. Also attached, for your information, is another copy of this fiscal year's approved budget with all the documentation.

**Summary of actual resources and revenues for the first quarter:**

	<u>Actual Through Sept. 30, 1988</u>
<b>Resources:</b>	
#5225 Intergovernmental Revenue	
• Represents revenues from the Transient Lodging Tax, a check from Multnomah County, dated 9/29/88, for \$685,945.19 was received but credited to the Convention Center Project Management Fund in error; this will be corrected in October.	\$ 0
#5600 Interest on Investments	
• Interest Income was credited to the Convention Center Project Management Fund in error; this will be corrected in October.	0
#5846 Transfer from Convention Center Project Management Fund	
• The \$500,000 was transferred from the Convention Center Fund as a reserve for the convention center initial start-up and operating costs.	<u>500,000</u>
<b>TOTAL RESOURCES</b>	<b><u>\$ 500,000</u></b>

Expenditures:

#6700 Fringe Benefits			
• The \$616 charged to this account was in error, should be corrected in October.			\$ 616
 #7500 Contractual Services			
• Following is a breakdown of the \$253,491 in this account:			
Portland/Oregon Visitors Association		252,341	
Jim Durham		<u>1,150</u>	
Total			253,491
 #7510 Payment to Other Agencies			
• Following is a breakdown of the \$10,545 paid to ERC:			
Marketing salaries & benefits		9,686	
Other (phone, supplies, etc.)		<u>859</u>	
Total			10,545

Following is a recap of transfers:

	<u>Per Budget</u>	<u>Actual</u>	
#9100 Transfer to General Fund	\$155,952	\$155,952	
#9130 Transfer to Building Mgmt.	18,972	2,573	
#9150 Transfer to Insurance Fund	<u>8,832</u>	<u>8,832</u>	
 Total Transfers	 <u>\$183,756</u>	 <u>\$167,357</u>	 167,357
 Variance		 <u>\$ 16,399</u>	

I understand these transfers occur at the start of the fiscal year, in this case July 1, 1988. We're checking on when the balance of the building management transfer will be made.

**TOTAL EXPENDITURES** \$ 432,009

If you have any questions, or need any other information, please call.

attachments

- c: Lee Fehrenkamp
- David Knowles
- Ray Phelps
- Don Rocks
- Don Carlson
- Neil McFarlane
- Sandy Bradley
- Ginny Goetz

RESOURCES		Marketing	Admin. and Operations	Total Budget	Actual thru 9/30/88	Variance
*5225 Intergovernmental Revenue				\$2,600,000	10	\$2,600,000
*5000 Interest on Investment				40,000	0	40,000
*5846 Transfer from Convention Center Management				500,000	500,000	0
*5225 Other: Intergovernmental Agreement (MERC/ERC)				126,870	0	126,870
<b>TOTAL RESOURCES</b>				<b>\$3,266,870</b>	<b>\$500,000</b>	<b>\$2,766,870</b>
<b>EXPENDITURES</b>	<b>FTE</b>					
<b>A. Personal Services</b> (Based on 2,088 hours)						
*6030 Director of Marketing	1	\$39,008		\$39,008	80	\$39,008
*6095 Sales Associate	1	26,363		26,363	0	26,363
*6060 Secretary	1	18,122		18,122	0	18,122
*6040 Event Manager	1		32,065	32,065	0	32,065
*6025 General Manager	1		80,308	80,308	0	80,308
*6028 Ass't. G. M. - Administration	1		65,250	65,250	0	65,250
*6180 Administrative Assistant	1		30,577	30,577	0	30,577
*6035 Special Projects Coordinator	1		45,414	45,414	0	45,414
*6700 Fringe Benefits		31,963	75,410	107,373	616	106,757
<b>Total Personal Services</b>	<b>8.00</b>	<b>115,456</b>	<b>329,024</b>	<b>444,480</b>	<b>616</b>	<b>443,864</b>
<b>B. Material &amp; Services</b>						
*7100 Travel		40,045	28,000	68,045	0	68,045
*7120 Training & Tuition		500	0	500	0	500
*7110 Meeting & Conferences		0	0	0	0	0
*7130 Dues & Subscriptions		0	0	0	0	0
*7140 Ads & Legal Notices		72,410	0	72,410	0	72,410
*7150 Printing		47,000	0	47,000	0	47,000
*7230 Telephone		2,400	3,000	5,400	0	5,400
*7300 Postage		9,300	4,000	13,300	0	13,300
*7360 Equipment Rental		7,695	0	7,695	0	7,695
*7410 Supplies - Office		2,200	3,000	5,200	0	5,200
*7500 Misc. Professional Services		899,207	81,800	981,007	253,491	727,516
*7510 Payments to Other Agencies		0	50,000	50,000	10,545	39,455
*7520 Data Processing		0	55,000	55,000	0	55,000
*7900 Miscellaneous		2,370	15,000	17,370	0	17,370
<b>Total Material &amp; Services</b>		<b>1,083,127</b>	<b>239,800</b>	<b>1,322,927</b>	<b>264,036</b>	<b>1,058,891</b>
<b>C. Capital Outlay</b>						
*8570 Office Furniture & Equipment		0	0	0	0	0
<b>D. Transfers, Contingency, Unappropriated Balance</b>						
*9100 To General Fund		0	153,952	153,952	155,952	0
*9130 To Building Maintenance		0	18,972	18,972	2,573	16,399
*9150 To Insurance Fund		0	8,832	8,832	8,832	0
*9700 Contingency		0	288,522	288,522	0	288,522
*4200 Unappropriated Balance		0	1,027,185	1,027,185	0	1,027,185
<b>Total Transfers, Contingency, etc.</b>		<b>0</b>	<b>1,499,463</b>	<b>1,499,463</b>	<b>167,357</b>	<b>1,332,106</b>
<b>TOTAL EXPENDITURES</b>		<b>\$1,198,583</b>	<b>\$2,068,287</b>	<b>\$3,266,870</b>	<b>\$432,009</b>	<b>\$2,834,861</b>

Revised

**METROPOLITAN EXPOSITION-RECREATION COMMISSION  
FY 1988-89 BUDGET INFORMATION**

**Submitted to Metro**

**April 19, 1988**

MERC8  
10/27/88  
6A)

METROPOLITAN EXPOSITION-RECREATION COMMISSION  
FY 1988-89 APPROVED BUDGET

RESOURCES		Marketing	Admin. and Operations	Total Budget
#5225 Intergovernmental Revenue				\$2,600,000
#5500 Interest on Investment				40,000
#5846 Transfer from Convention Center Management				500,000
#5225 Other: Intergovernmental Agreement (MERC/ERC)				126,870
<b>TOTAL RESOURCES</b>				<b>\$3,266,870</b>
<b>EXPENDITURES</b>	<b>FTE</b>			
<b>A. Personal Services</b> (Based on 2,088 hours)				
#6030 Director of Marketing	1	\$39,008		\$39,008
#6095 Sales Associate	1	26,363		26,363
#6060 Secretary	1	18,122		18,122
#6040 Event Manager	1		32,065	32,065
#6025 General Manager	1		80,308	80,308
#6028 Ass't. G. M. - Administration	1		65,250	65,250
#6180 Administrative Assistant	1		30,577	30,577
#6035 Special Projects Coordinator	1		45,414	45,414
#6700 Fringe Benefits		31,963	75,410	107,373
<b>Total Personal Services</b>	<b>8.00</b>	<b>115,456</b>	<b>329,024</b>	<b>444,480</b>
<b>B. Material &amp; Services</b>				
#7100 Travel		40,045	28,000	68,045
#7120 Training & Tuition		500	0	500
#7110 Meeting & Conferences		0	0	0
#7130 Dues & Subscriptions		0	0	0
#7140 Ads & Legal Notices		72,410	0	72,410
#7150 Printing		47,000	0	47,000
#7230 Telephone		2,400	3,000	5,400
#7300 Postage		9,300	4,000	13,300
#7360 Equipment Rental		7,695	0	7,695
#7410 Supplies - Office		2,200	3,000	5,200
#7500 Misc. Professional Services		899,207	81,800	981,007
#7510 Payments to Other Agencies		0	50,000	50,000
#7520 Data Processing		0	55,000	55,000
#7900 Miscellaneous		2,370	15,000	17,370
<b>Total Material &amp; Services</b>		<b>1,083,127</b>	<b>239,800</b>	<b>1,322,927</b>
<b>C. Capital Outlay</b>				
#8570 Office Furniture & Equipment		0	0	0
<b>D. Transfers, Contingency, Unappropriated Balance</b>				
#9100 To General Fund		0	155,952	155,952
#9130 To Building Maintenance		0	18,972	18,972
#9150 To Insurance Fund		0	8,832	8,832
#9700 Contingency		0	288,522	288,522
#4200 Unappropriated Balance		0	1,027,185	1,027,185
<b>Total Transfers, Contingency, etc.</b>		<b>0</b>	<b>1,499,463</b>	<b>1,499,463</b>
<b>TOTAL EXPENDITURES</b>		<b>\$1,198,583</b>	<b>\$2,068,287</b>	<b>\$3,266,870</b>

METROPOLITAN EXPOSITION-RECREATION COMMISSION  
FY 1988-89 BUDGET - GENERAL COMMENTARY

## 1. Resources:

#5225 Intergovernmental Revenue	
- Revenues from Transient Lodging Tax, July 1, 1988 through June 30, 1989	\$ 2,600,000
#5440 Interest on Investments	40,000
#5846 Transfer from Conv. Center Management Fund	
- Reserved for convention center initial start-up and operating costs, carry-over from FY 1987-88	500,000
#5225 Other: Intergovernmental Agreement (MERC/ERC):	
- General Manager (1/2 time)	48,988
Ass't General Manager - Administration (1/2 time)	42,087
Administrative Assistant (1/2 time)	20,795
Misc. (travel, auto expense, etc.)	15,000
Total Resources for FY 1988-89	\$ 3,266,870

## 2. Personal Services:

## a. Marketing:

#6030 Marketing Manager	\$ 39,008
#6095 Sales Associate	26,363
#6060 Secretary	18,122
#6700 Fringe	31,963
Total Marketing Personal Services	\$ 115,456

## b. Administration &amp; Operations:

#6040 Event Manager	\$ 32,065
#6025 General Manager	80,308
#6028 Assistant General Manager - Administration	65,250
#6180 Administrative Assistant	30,577
#6035 Special Projects Coordinator	45,414
#6700 Fringe	75,410
Total Administration & Operations Personal Services	\$ 329,024

## c. Total Personal Services

Total Personal Services	\$ 444,480
-------------------------	------------

## 3. Material &amp; Services:

## #7100 Travel

a. Out-Of-Town Travel (Marketing)	\$ 38,550
b. Out-Of-Town Travel (MERC Commissioner's)	28,000
c. In-Town-Travel (Marketing)	1,495
Total Travel	\$ 68,045

#7120 Training & Tuition		
- Marketing	\$	500
		-----
#7140 Ads & Legal Notices		
- Advertising/Promotion (Marketing)	\$	72,410
		-----
#7150 Printing/Reproduction (Marketing)	\$	47,000
		-----
#7230 Telephone:		
- Marketing	\$	2,400
- Administration/Operations		3,000
		-----
Total Telephone	\$	5,400
		-----
#7300 Postage:		
- Marketing	\$	9,300
Administration/Operations		4,000
		-----
Total Postage	\$	13,300
		-----
		(Marketing -
#7360 Equipment Rental (Xerox word processing, etc.)	\$	7,695
		-----
#7410 Supplies - Office:		
- Marketing	\$	2,200
Administration/Operations		3,000
		-----
Total Supplies - Office	\$	5,200
		-----
#7500 Misc. Professional Services:		
- GPCVA	\$	899,207
- Arena Feasibility Study, phases 2 & 3		35,000
- Other (consultant services, legal fees, RFP work, analysis, studies, surveys, etc. re consolidation, five year financial plan, etc.)		46,800
		-----
Total Misc. Professional Services	\$	981,007
		-----

#7510 Payments to Other Agencies			
Intergovernmental Agreement between MERC/ERC - covers management time for various services of ERC staff to support necessary MERC activities from technical expertise on the convention center design/construction, consolidation of all ERC facilities, etc.		\$	50,000
			-----
#7520 Data Processing (CPU time share/lease)			
- Implementation and Training		\$	5,000
Software			21,600
Hardware			28,400
			-----
Total DP		\$	55,000
			-----
#7990 Miscellaneous:			
- Marketing		\$	2,370
Administration/Operations (travel, auto expense, etc.)			15,000
			-----
Total Miscellaneous		\$	17,370
			-----
Total Material & Services:			
- Marketing \$1,083,127, Admin./Opr. \$239,800		\$	1,322,927
			=====
4. Capital Outlay		\$	0
			=====
5. Transfers/Contingency/Unappropriated Balance:			
#9100 Transfer to General Fund	\$155,952		
#9130 Transfer to Building Management	18,972		
#9150 Transfer to Insurance Fund	8,832	\$	183,756
#9700 Contingency			288,522
#4200 Unappropriated Balance (Reserved for convention center initial start-up and operating costs (\$500,000 from FY 1987-88 & \$500,000 from FY 1988-89)			1,027,185
			-----
Total Transfers, etc.		\$	1,499,463
			=====
TOTAL EXPENDITURES:			
- Marketing \$1,198,583, Admin./Opr. \$2,066,870		\$	3,266,870
			=====

## **Personal Services - #6040 Event Manager**

It is timely to add an event manager to the MERC convention center staff during fiscal year 1988-89 to begin setting up the convention and trade show event services department and all its various functions. The event manager and the services provided by that department is a stable link for the customer between the successful sales effort and the successful event in the facility some time later. Once booked into the convention center, the meeting planner relies on the event manager to aid the planning effort and give detailed logistical and technical information well in advance, sometimes three to four years ahead of time. The event manager will also assist the sales staff with prospective clients by supplying the same type of logistical and technical information to the meeting planners which will help them make decisions on Portland as their convention destination. It is important to have the event manager on staff two years before opening and is a fairly common practice in the industry.

## **Personal Services - #6035 Special Projects Coordinator**

The MERC feels there may be a need for a staff position to take on special projects during the formative years of this Commission's work. One of the major things that has initiated this thought is the rather large task of consolidation of facilities. Currently facilities considered for consolidation are controlled by three separate and distinct local governments, and a key element of the CTS master plan is to unite these facilities under one management system. MERC may determine that the consolidation project needs constant attention in order that consolidation occur as fluidly and expeditiously as possible.

Personal Services - #6030, 6095, 6060, 6025, 6028, 6180

Three ERC employees currently working through an intergovernmental agreement with MERC on the sales and marketing of the Oregon Convention Center full time will be transferred to MERC in FY 1988-89 and continue the sales and marketing effort (Marketing Manager, Sales Associate, Secretary). Three other ERC employees will be devoting 50% of their time and effort to the management and the administration of MERC's activities. (General Manager, Assistant General Manager-Administration, Administrative Assistant). These three employees will also be transferred to MERC and through an intergovernmental agreement with ERC will bill out all time and materials spent on ERC activities.

**Materials & Services: #7520 Data Processing**

One of the recommendations of the Laventhol & Horwath operational study of 1987 was for the Oregon Convention Center to have as one of its administrative and operational tools a fully automated computer system. MERC agrees with this recommendation and plans to make this a reality in the next three years. MERC felt it was important to begin now and build in this system over the next two years so that the computer system would be fully operational by convention center opening. MERC staff will be working with Metro staff to explore the possibility of linking up with Metro's new computer system.

A fully integrated single data base computer system was developed four years ago specifically for convention center operations. It is shelf software and packages can be added to the system as they are needed. The core of the system is the scheduling package and everything else is generated as a result of data resident in scheduling. Now, when facility bookings are just beginning for the near forty function areas of the convention center through the year 2000, is the time to enter the data instead of playing catch-up later. A system of this type is applicable eventually to other MERC facilities and to GPCVA.

The plan is to put the scheduling module into action on a leased or time shared CPU sized appropriately for early scheduling functions. In 1989 and 1990 when other administrative, marketing, and operational software packages are purchased, MERC will have need of a larger up-to-date CPU capable of handling all data and all users and have room for expansion.

**#7520 Data Processing (Lease):**

<b>Implementation/Training</b>	<b>\$ 5,000</b>
<b>Software</b>	<b>21,600</b>
<b>Hardware</b>	<b><u>28,400</u></b>
	<b><u>\$55,000</u></b>

## Payments to Other Agencies #7510

An intergovernmental agreement between MERC and ERC will be established for fiscal year 1988-89 in an amount not to exceed \$50,000 for use of various ERC employees on a time and materials basis to give assistance where needed during construction of the Oregon Convention Center. Areas of primary consideration for assistance from an operational point of view are engineering, maintenance, sound reinforcement, technical lighting, audio visual, and communications.

## Misc. Professional Services #7500

### Greater Portland Convention & Visitors Association 1988-89 Recommended Budget - Oregon Convention Center Marketing **EXPLANATION OF INCREASES OVER FY 87-88 BUDGET**

The recommended FY 1988-89 budget of \$899,207 for Oregon Convention Center long-range marketing supports a stepped up program allowing Portland to strengthen its competitive position among west coast convention cities.

The recommended amount represents a \$150,000 increase over the \$749,828 budgeted in the current year through two contracts between the association and Metro. The bulk of the increase [\$95,000] results from addition of a Washington, D.C., satellite sales office. Portland is the only major west coast convention city without an office or on-site representation in Washington. Increases are broken out by purpose of expenditure and explained below.

The result of the increased funding will substantially raise sales productivity, increasing the number of tentative bookings by 77 percent, from the goal of 45 this year to 80 next year. These leads will pay off as leads mature into bookings in future months and years. The number of consummated bookings also is projected to grow due to the enhanced effort, up from 16 to 17.

<b>Expenditure Type</b>	<b>FY 87-88 Budget</b>	<b>FY 88-89 Budget</b>	<b>Explanation of Difference</b>
Promotion (prospect contact)	\$386,247	\$539,850	Difference = \$154,000 • Washington, D.C. office (\$95,000) • 19 vs 16 meeting planner conventions; 7 vs 6 scheduled sales trips (\$27,000) • 3 vs 1.5 meeting planner airlifts (\$13,000) • Sales staff full year vs 9 mo (\$67,000) • Minus current year start-up expenses - office, files, trade show booth (-\$50,000)
Advertising & Collateral	\$306,286	\$299,590	Stays basically the same
Convention Services	\$23,445	\$14,150	Less allocated to convention center based on current year experience
Public Relations	\$33,850	\$45,617	Difference = \$11,767 • Program formulated differently; 1/2 of last year's budgeted to agency • Increase represents supporting activities in addition to staff time, including: - 25 news releases, 6 media kits - 2 convention editor fam trips - speakers bureau slides, other support - general convention center brochure - broadcast transcript service - 1/3 cost of convention center newsletter - hospitality/special events

**OREGON CONVENTION CENTER  
SALES & MARKETING DEPARTMENT**

**MATERIALS AND SERVICES: #7100 Travel  
#7140 Advertising  
#7150 Printing**

1987-88 Budget	\$ 121,000
FY 1988-89 Recommended Budget	183,920
1988-89 Materials & Services Increase	\$ 62,920

**#7100 Travel**

The FY 1988-89 budget reflects an increase of \$18,510 in out-of-town travel. This is due to the fact that the 1987-88 budget covered travel to five (5) major industry shows, whereas the FY 1988-89 budget encompasses participation in thirteen (13) major trade/industry events. This also plans for, in most cases, more than one OCC representative, depending upon the size or importance of the show. For example, the American Society of Association Executives (ASAE) conventions are well attended, quality shows where a strong representation is necessary.

In addition to the GPCVA delegation, the facility representation is very important in that we can answer specific questions as to scheduling policies, rental rates, facility design, etc.

Most importantly, the unified effort, when both the convention bureau and convention facility participate as one group at these events, aids the meeting planner's perception that our city will be an easy one in which to work.

**#7140 Advertising**

The 1987-88 and FY 1988-89 Advertising budgets remain basically the same (with the recommended budget actually reduced by \$2,590). This is partially attributed to the fact that collateral materials were previously incorporated under the Advertising classification and are now in their own category of Printing.

The recommended media budget for FY 1988-89 is \$72,410. We have attached a first draft of our proposed media for this time period. Our goal is to supplement the GPCVA's national campaign efforts by maintaining continued awareness on the regional, state and local levels.

**#7150 Printing**

The Printing budget reflects an increase of \$44,410 over 1987-88. The increase is owing to an expanded direct mail campaign, the development of a facility presentation packet (where a major portion of our collateral material funds will be appropriated) and the shared expense of the production of a convention center newsletter.

## **MEDIA SCHEDULE**

<b>Directories</b>	<b>\$ 17,020</b>
<b>Trade Magazines</b>	<b>27,100</b>
<b>Regional Business &amp; Inflight Magazines</b>	<b>23,918</b>
<b>Misc. Directory Listing</b>	<b>500</b>
<b>Production &amp; Promotion</b>	<b><u>3,871</u></b>
<b>TOTAL</b>	<b><u>\$ 72,409</u></b>

# BURDERS, FERRIN AND COMPANY INC.

CLIENT: OREGON CONVENTION CENTER  
 SCHEDULE: REGIONAL, BUSINESS AND INFLIGHT MAGAZINES  
 DATE: March 3, 1988

1988

1989

PUBLICATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
ALASKA AIRLINES MAGAZINE distr.: 38,000 3x distr. rate 4C bleed page Close: 15th of 2nd month			\$2700	\$2700	\$2700								3x \$ 8,100
HORIZON/SAN JUAN distr.: 26,000 3x rate 4C bleed page Close: 40 days prior			\$1889	\$1889	\$1889								3x \$ 5,667
OREGON BUSINESS 5x contract rate thru 12/88 4C bleed page Close: 1 month prior	Constr. Issue		Econ. Devel. \$2470	Private 100 N/C									3x \$ 4,940
BUSINESS JOURNAL (PORTLAND) 1x non-profit rate Island 4C page Close: 10 days prior			1x \$1737	1x \$1737	1x \$1737								3x \$ 5,211
TOTAL:												\$23,918	



