

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING)
DISTRIBUTION OF A REQUEST FOR)
PROPOSALS FOR FINANCIAL ADVISORY)
SERVICES AND AUTHORIZING THE)
EXECUTIVE OFFICER TO SIGN A)
CONTRACT WITH THE SUCCESSFUL)
PROPOSER FOR A THREE-YEAR PERIOD)
BEGINNING JULY 1, 1999)

RESOLUTION NO. 99-2779

Introduced by Mike Burton,
Executive Officer

WHEREAS, From time to time Metro has the need to obtain financial advisory services; and

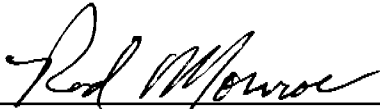
WHEREAS, The Request for Proposals and contract form attached hereto would provide a means for procuring such services for the period July 1, 1999, through December 31, 2002; and

WHEREAS, Council approval of this Request for Proposals and any subsequent agreement for financial advisory services is required pursuant to Metro Code Section 2.04.044; now, therefore,

BE IT RESOLVED,

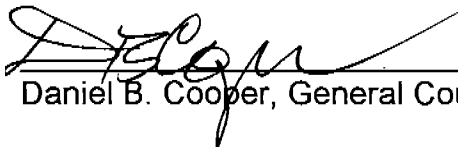
That the Metro Council authorizes issuance of the Request for Proposals for financial advisory services for the period July 1, 1999, to December 31, 2002, in a form substantially similar to the attached Exhibit A and authorizes the Executive Officer to execute a contract with the most favorable proposer.

ADOPTED by the Metro Council this 13th day of May, 1999.



Rod Monroe, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

CP:rb
April 20, 1999
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STAFF REPORT

CONSIDERATION OF RESOLUTION 99-2779 AUTHORIZING DISTRIBUTION OF A REQUEST FOR PROPOSALS FOR FINANCIAL ADVISORY SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER TO SIGN A CONTRACT WITH THE SUCCESSFUL PROPOSER FOR A THREE-YEAR PERIOD BEGINNING JULY 1, 1999.

Date: April 20, 1999

Presented by: Jennifer Sims,
Chief Financial Officer

BACKGROUND

Metro uses an independent financial advisor for a variety of expert advice and assistance relating to debt issuance, debt management, developing financing and funding strategies, and financial planning advice. This advice includes structuring bond issues, helping to negotiate sales of bonds to underwriters, preparing official statements, advising Metro on bond covenants and bond administration, conducting special financial research and related assistance. The Scope of Work as described in the Request for Proposals is shown below:

A. Bond Debt Administration and Support

1. Provide services related to bond sales, such as assistance in preparation of preliminary and final official statements, scheduling and structuring sales/instruments, helping to negotiate bond sale terms and conditions, and contact with rating agencies.
2. Identify options for debt issuance and alternative financing strategies.
3. Make presentations to the Metro Council, Council committees, bond counsel, and/or staff as needed.
4. Advise Metro as needed in post-sale administration of debt proceeds.
5. Monitor outstanding debt for refunding and restructuring opportunities to reduce debt service and improve project management.
6. Recommend agency-wide debt management and capital planning policies.

B. Metropolitan Exposition-Recreation Commission

1. Advise Metro and the Commission regarding alternative financing strategies for capital improvements in facilities operated by the Commission (Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts, and the Expo Center).
2. Advise Metro and the Commission on future financing plans for ongoing operations of its facilities. Possible new debt issues include: Oregon Convention Center expansion, refurbishment/enhancement of the Expo Center, and capital improvements at the Portland Center for the Performing Arts.

C. Oregon Zoo

1. Analysis of long-range funding options for Zoo operations.

D. Regional Environmental Management

1. Provide market checks for the department's disposal contract.
2. Analysis of possible extensions to Metro's contract for operation of its two solid waste transfer stations.
3. Long-range forecast for monitoring and maintenance costs at the St. Johns Landfill.

E. General Government Financial Advice

1. On request, assist Metro with its investment policies.
2. Assist Metro in the coordination, preparation and update of long-range financial and capital improvement plans. Assist in establishing and monitoring financial indicators and in reviewing and updating agency financial policies.
3. Assist Metro in researching and analyzing various ongoing funding and financing alternatives. Provide assistance with identifying, researching and implementing new funding sources under Metro's home rule charter.
4. Assist Metro on certain other matters which may come to Metro's attention which would require the expertise of a financial consultant.

F. Additional Projects

It is expected that financial advice will be required on some of the following projects and potential projects:

1. Regional Transportation and Growth Management planning funding.
2. Regional Parks funding for operations and purchase of lands. Operations include landbanking and operations of lands acquired under Metro's 1995 Open Spaces bond measure.

A three year contract is required to provide continuity over time and to maintain consistency within multi-year projects. The term of this contract will begin July 1, 1999, and end December 31, 2002.

The current three-year contract was originally written for a total of \$65,000. This amount was later amended to \$275,000 because of the addition of significant additional work elements for the Regional Environmental Management Department (Resolution 96-2304) and because of the extension of the contract for an additional year and a half (Resolution 97-2465). The cost of the new contract will depend upon proposals received, but is expected to cost in the range of \$150,000 to \$175,000 for three years.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2779.

CP:rb

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**REQUEST FOR PROPOSALS
METRO
FINANCIAL ADVISORY SERVICES**

I. INTRODUCTION

Metro is requesting proposals from qualified firms to perform financial advisory services for a period of three (3) years starting July 1, 1999. Details concerning this request and Metro's requirements are contained in this Request for Proposals.

II. BACKGROUND

Metro, the nation's only elected regional government, is responsible for a broad range of services. According to Metro's Charter, approved by voters in 1992, Metro has primary responsibility for regional land-use and transportation planning, and is further empowered to address any other issue of "metropolitan concern."

Metro provides regional land-use, growth management, and environmental planning, as well as regional transportation planning throughout the Portland metropolitan area. Currently Metro owns and operates the Oregon (formerly the Metro Washington Park) Zoo, the Oregon Convention Center, and the Portland Exposition Center (Expo Center). Metro also operates the Civic Stadium and the Portland Center for the Performing Arts. Metro is responsible for disposal of the region's solid waste. Metro also operates regional parks, marine facilities, a public golf course, and pioneer cemeteries located within Multnomah County. A more detailed description of Metro services may be found in Attachment A to the Request for Proposal.

Financial Structure

Metro evolved out of a special district structure and, as functions were added, they brought with them dedicated revenue sources. Accordingly, fees and charges for service fund most of Metro's operations. Metro has a relatively modest General Fund that is used to support general government functions and provide transfers to departments for non-self-supporting activities.

In the FY 1999-00 proposed budget, Metro projects \$156,029,249 in operating resources (excluding fund balances, bond proceeds, and interfund transfers). Of this amount, \$92,620,756, or 59 percent, comes from enterprise revenues. The balance of Metro's operating resources in FY 1999-00 will come from property taxes (15 percent), grants (7 percent), excise taxes (5 percent), intergovernmental transfers (5 percent), and all other sources (9 percent).

Debt

Metro has a relatively low level of outstanding debt. Metro's outstanding debt includes eleven debt issues, six capital leases, one energy conservation loan, and one project bond.

Five series of Metro general obligations bonds outstanding are:

- General Obligation Refunding Bonds (Convention Center), 1992 Series A
- General Obligation Bonds (Open Spaces)
 - ◊ 1995 Series A
 - ◊ 1995 Series B
 - ◊ 1995 Series C
- Metro Washington Park Zoo Oregon Project, 1996 Series A

There are two issues of Metro solid waste revenue bonds outstanding. The original series was issued in 1990 and was partially refunded by a second series in 1993. These two issues are repaid from solid waste revenues.

The Metro Regional Center general revenue refunding bonds were issued in 1993 to refund bonds issued to build the Metro headquarters building. These bonds are backed by a pledge of Metro's general revenue authority and are repaid from assessments against all departments occupying the Metro Regional Center.

Compost Project revenue bonds were issued for Riedel Oregon Compost Company, Inc., to pay a portion of the cost of the North Portland compost facility. Riedel's successor firm pays debt service.

Two loans from the Oregon Economic Development Department, Special Public Works Fund (SPWF), were made to finance Metro's contribution to Tri-Met's Westside Light Rail project and to finance reconstruction of the Washington Park parking lot serving the Oregon Zoo to accommodate a light rail station.

III. SCOPE OF WORK

All work of the financial advisor will be coordinated through the Financial Planning Manager. Principal contacts will include the Chief Financial Officer and key staff personnel of the operating department for which a project is undertaken.

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

A. Bond Debt Administration and Support

1. Provide services related to bond sales, such as assistance in preparation of preliminary and final official statements, scheduling and structuring sales/instruments, helping to negotiate bond sale terms and conditions, and contact with rating agencies.
2. Identify options for debt issuance and alternative financing strategies.
3. Make presentations to the Metro Council, Council committees, bond counsel, and/or staff as needed.
4. Advise Metro as needed in post-sale administration of debt proceeds.
5. Monitor outstanding debt for refunding and restructuring opportunities to reduce debt service and improve project management.
6. Recommend agency-wide debt management and capital planning policies.

B. Metropolitan Exposition-Recreation Commission

1. Advise Metro and the Commission regarding alternative financing strategies for capital improvements in facilities operated by the Commission (Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts, and the Expo Center).
2. Advise Metro and the Commission on future financing plans for ongoing operations of its facilities. Possible new debt issues include: Oregon Convention Center expansion, refurbishment/enhancement of the Expo Center, and capital improvements at the Portland Center for the Performing Arts.

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2. Analysis of possible extensions to Metro's contract for operation of its two transfer solid waste stations.
3. Long-range forecast for monitoring and maintenance costs at the St. Johns Landfill.

E. General Government Financial Advice

1. On request, assist Metro with its investment policies.
2. Assist Metro in the coordination, preparation and update of long-range financial and capital improvement plans. Assist in establishing and monitoring financial indicators and in reviewing and updating agency financial policies.
3. Assist Metro in researching and analyzing various ongoing funding and financing alternatives. Provide assistance with identifying, researching and implementing new funding sources under Metro's home rule charter.
4. Assist Metro on certain other matters which may come to Metro's attention which would require the expertise of a financial consultant.

F. Additional Projects

It is expected that financial advice will be required on some of the following projects and potential projects.

1. Regional Transportation and Growth Management planning funding.
2. Regional Parks funding for operations and purchase of lands. Operations include landbanking and operations of lands acquired under Metro's 1995 Open Spaces bond measure.

IV. SPECIAL CONSIDERATIONS

A. Conflicts of Interest

1. Proposers must either certify that no actual or potential conflicts of interest exist at the time of submittal of their proposal, or if such conflicts do exist, they must be disclosed.
2. Metro will require its financial advisor to disclose any actual or potential conflict of interest that may arise at any time during this engagement.
3. The successful proposer will be required to agree to refrain from any underwriting or trading of Metro debt, or debt secured in whole or part by Metro, or debt issued to finance (in whole or part) loan agreements or other financial arrangements with Metro.

B. Arbitrage/Rebate Management Services

Metro currently has a contract with Arbitrage Compliance Services for arbitrage/rebate management services. Both the provider of financial advisory services and arbitrage/rebate management services will be required to coordinate their advice and services to the extent practical.

V. PROPOSAL INFORMATION

Proposals must be received at the business office of Metro, Administrative Services Department, Financial Planning Division, 600 NE Grand Avenue, Portland, Oregon 97232, to the attention of Craig Prosser, Financial Planning Manager, no later than 3:00 p.m., PST, Friday, June 4, 1999.

Proposals should be submitted in ten (10) copies, printed on recycled paper and recycled materials.

The contract period will be from July 1, 1999, through June 30, 2002.

VI. CONTENTS OF PROPOSAL

Proposals must address the following points and should be organized into separate sections, clearly identified according to this outline, to facilitate Metro's review.

A. Qualifications of the firm

1. Organization.
2. Staff assigned (include resumés).
3. Other professional resources.
4. Technical support resources and services.

B. Experience of the firm

1. List your most recent financial advisory relationships. Please include the names, addresses, and phone numbers of contact persons. Briefly describe the work performed, including the dollar amount of the issues or other financings.
2. Describe you firm's past experience with similar type of work, as described in the Scope of Work, for government agencies. Specifically address the following types of enterprises:

- General government (including transportation and land use planning, parks, and central administrative services)
 - Solid waste disposal
 - Zoos or other paid tourist attractions
 - Convention/exposition/performing arts
3. Outline your firm's experience with the major rating agencies. Discuss this experience and its potential applicability to Metro.
 4. Describe any innovations you have developed or worked on which would benefit Metro. Briefly outline the problem, your solution and the results.
 5. Please attach a recent representative example of a municipality's official statement for which you acted as financial advisor.

C. Compensation

List the proposed fee schedule for the work proposed. If the firm proposes that Metro bear the costs of incidental expenses, clearly state what type of incidental expenses Metro will be expected to bear. The firm should submit a proposal on a time and materials basis with a not-to-exceed price stated for the proposal. Hourly rates of the personnel assigned to the project should be provided.

- D. Statement regarding actual or potential conflicts of interest (see IV. Special Considerations, above).

VII. OTHER INFORMATION

A. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information that is not contained in this RFP will not be considered by Metro in evaluating the proposals. All questions relating to the RFP must be submitted in writing to Craig Prosser, Financial Planning Manager. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after 5:00 p.m., Wednesday, May 26, 1999.

B. Minority Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions

2.04.100. Copies of that document are available from the Risk and Contracts Management Division of the Administrative Services Department, Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232, or call (503) 797-1717.

VIII. GENERAL PROPOSAL AND CONTRACT CONDITIONS

- A. Limitation and Award – This Request for Proposals does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Contract Type – Metro intends to award a personal services contract with the selected firm for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.
- C. Billing Procedures – Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. A monthly billing, detailing specific projects, staff time and expenses charged to those projects, and a progress report, will be required.
- D. Validity Period and Authority – The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

IX. EVALUATION CRITERIA

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

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

B. Personnel (30 points)

1. Experience and qualifications of personnel assigned to this project.
2. Ease of access to assigned personnel and their availability for consultation and meetings on short notice.
3. Additional professional and technical resources available.

C. Organization and Experience of Firm (30 points)

1. Qualifications of the firm to address Metro's potential projects and issues of concern to Metro.
2. Past experience with similar type of work for government agencies and/or special districts.
3. Previous experience with the major rating agencies.
4. Favorable references from previous financial advisory relationships.

D. Cost of services (25 points)

Metro currently plans to invite the highest ranking proposers to an on-site interview sometime in mid to late June.

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

ATTACHMENT A

METRO SERVICES

Regional Growth Management and Transportation Planning

The mission of the Transportation and Growth Management departments is to plan for and seek to implement model land use and transportation programs to address the needs of the region and to protect its livability, especially in the areas of regional transportation, air and water quality, and land use. These departments, which have a combined FY 1999-00 budget of \$15 million, have grown to meet the demands and pressures of population growth in the region. Projections show that an estimated 700,000 new people will be coming into the four-county metropolitan region in the next 20 years.

Major Planning Programs

- Growth Management
- Regional Framework Plan implementation
- Urban Growth Boundary maintenance
- Regional Land-Use Policy implementation
- Regional transportation planning
- Regional population and employment growth pattern estimates and resulting impact on travel demands
- Long-term Regional High-Capacity Transit System Plan development
- Designated metropolitan planning organization to secure and allocate federal highway and transit funds, provide forums for coordination and decision making with state, regional and local government staff, elected representatives and citizens

Regional Parks and Greenspaces

The Regional Parks and Greenspaces Department was created in January 1994 with the transfer of parks functions from Multnomah County. Its FY 1999-00 proposed budget is \$42.8 million. The department provides both an operational arm and a planning function to protect and care for the public's investment in park lands and facilities. Passage of an Open Spaces Program bond measure of \$135.6 million added a significant component to the department's responsibilities.

- Mission: create a cooperative regional system of natural areas, open spaces, trails, parks and greenways for wildlife and people in the metropolitan area
- Operation of 21 regional parks and natural areas as well as 14 pioneer cemeteries visited by more than one million visitors annually
- Management of over 4,000 acres of regionally significant open spaces

- Acquisition of an additional 2,000 acres of regionally significant open spaces using Open Spaces Program bond proceeds
- Management and operation of the regional parks facilities transferred to Metro from Multnomah County in January 1994
- Coordination and involvement of local governments
- Planning and capital development of park facilities.

Oregon Zoo

Metro owns and operates a 64-acre zoo. This facility is a major cultural, educational and recreational attraction drawing visitors from throughout Oregon and the Pacific Northwest. Average annual attendance is nearly 1,000,000 persons.

The Zoo is the largest paid tourist attraction in Oregon. Zoo visitors help support the facility through paid admissions, zoo memberships, train tickets, gift shop and food service purchases and donations. At least half of Zoo revenues are from non-tax sources. The Zoo's FY 1999-00 proposed budget amounts to \$28.9 million.

- Mission: Provide visitors a unique educational and recreational opportunity to experience wildlife in a naturalistic setting and to learn to "care now for the future of life"

Metropolitan Exposition-Recreation Commission

The commission, established in 1987, is the operating arm for Metro's exposition and spectator facilities, including the Oregon Convention Center, the Expo Center, the Portland Center for the Performing Arts, and the Civic Stadium. The Portland Center for the Performing Arts and the Civic Stadium were transferred to Metro's management from the city of Portland in 1990, when the convention center opened. Management of the Expo Center was transferred to Metro from Multnomah County in January 1994. The Metro E-R Commission oversees operations. Seven commissioners are appointed by Metro to serve four-year terms. Clackamas, Multnomah, and Washington counties and the City of Portland nominate five of the seven appointees. The Metro Council approves the commission's budget, which is proposed to be \$44.8 million for FY 1999-00.

Regional Environmental Management

Metro is responsible for disposing of approximately 1.3 million tons of waste per year. Metro's responsibilities include planning, developing and managing solid waste transfer stations, operating household hazardous waste facilities, implementing disposal enforcement programs, and providing recycling promotion, education and local assistance programs.

Metro, through its operations, directly handles approximately 700,000 tons of waste each year. To accomplish this, Metro owns and contracts the operation of two transfer

stations, the Metro South and Metro Central stations, which include two household hazardous waste facilities. The transfer station waste is sent to the privately owned Columbia Ridge Landfill in Gilliam County, with which Metro has a long-term contract. In addition to the Metro-owned transfer stations, a privately owned and operated transfer station serves the western portion of the jurisdiction. Waste handled by this station constitutes about ten percent of the entire region's waste and is currently disposed of at the Riverbend Landfill in Yamhill County.

Funding for solid waste operations is paid entirely through user fees. No taxes are used to fund these services. A solid waste master bond ordinance was adopted in 1989 and revenue bonds were issued for capital construction. Construction of the Metro Central transfer station was funded by solid waste system revenue bonds of \$28,500,000. This issue was partially refunded in 1993.

Other Departments/Offices

Metro's organizational structure includes several offices and two departments that support elected officials or provide support services:

Office of the Council – includes the Metro Council and staff. The Metro Council provides overall policy guidance for the agency. The Office of the Council also manages the Council Office of Public Outreach.

Office of the Executive – includes the Metro Executive Officer and staff. The Metro Executive Officer manages the agency and develops policy issues for the Council's consideration. The Office of the Executive also supervises Metro's intergovernmental and public information functions and the Office of the Committee for Citizen Involvement.

Office of the Auditor – includes the Metro Auditor and staff. The Metro Auditor is responsible for all audits of the agency, including managing the annual outside financial audit and conducting performance and management audits of agency programs and operations.

Office of the General Counsel – provides legal services to the Council and Executive Officer and to Metro departments.

Administrative Services Department – provides a full range of support services to Metro operating departments, including Accounting, Risk Management, Financial Planning, Information Management Services and others.

Human Resource Department – provides recruitment, classification, compensation, and labor relations services.