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191228

Emergency Ordinance

***Amend legal services agreement with Hawkins Delafield & Wood LLP for \$1 million to provide additional bond counsel services to the City (amend Agreement 30004734)**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Pursuant to Ordinance 187268, the City executed Agreement 30004734 (the "Agreement") on September 1, 2015, to retain Hawkins Delafield & Wood as bond counsel to the City.
2. The original Agreement amount was \$1,500,000 with an expiration date of September 1, 2020.
3. The Agreement was amended on September 4, 2020 ("Amendment No. 1") to add \$375,000, or 25 percent of the initial value, and to extend the term by five years to September 1, 2025.
4. Additional bond counsel services are required by the City for issuance of general obligations, full faith and credit bonds and notes, revenue bonds and notes, tax increment bonds and notes, special assessment bonds and notes, other credit instruments, and for other services related to its debt program through the end of the Agreement. The Agreement, as amended, does not have adequate capacity to provide such services through its expiration date.
5. The City Attorney's Office and the Debt Management Division of the Bureau of Revenue and Financial Services recommend that the Agreement with Hawkins Delafield & Wood LLP be amended to increase the compensation by \$1,000,000.
6. The additional compensation under this Ordinance, along with previously added compensation, comes to \$2,875,000, which is 192% of the original compensation amount of \$1,500,000, and 153% of the amended compensation of \$1,875,000. The new, not-to-exceed amount of the Agreement is \$2,875,000.
7. Sufficient appropriation resides in the Bureau of Revenue and Financial Services Debt Management Division or in the bureaus and agencies that

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)
[Revenue and Financial Services](#)

Contact

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

April 12, 2023

issue debt and are provided services by bond counsel.

8. Previous Amendments: Amendment No. 1, dated September 4, 2020, extended the Agreement expiration date from September 1, 2020, to September 1, 2025, and increased the original compensation by \$375,000. The new, not-to-exceed Agreement amount was increased to \$1,875,000.

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is hereby authorized to amend Agreement No. 30004734 with Hawkins Delafield & Wood LLP for services in accordance with Amendment No. 2, attached hereto as Exhibit A.
- B. The Mayor and the Auditor are hereby authorized to draw and deliver checks payable to Hawkins Delafield & Wood LLP chargeable to the Bureau of Revenue and Financial Services, Debt Management Division, when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists in order that bond counsel services may proceed without delay; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) 15.68 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
April 12, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The proposed legislation authorizes an amendment to Agreement 30004734, (the "Agreement") to increase the compensation to Hawkins Delafield & Wood LLP ("Hawkins") in an amount not to exceed \$1,000,000. Attorneys at Hawkins are licensed by the Oregon State Bar and have demonstrated experience in municipal finance/bond counsel legal services work. The firm has served as the City's bond counsel for many years.

The current Agreement with Hawkins extends through September 1, 2025, but the Agreement's remaining value is nearing capacity. Currently only about \$160,000 remains, which is expected to be insufficient for FY 2022-23 and to pay for future services through September 1, 2025. The Agreement was amended in 2020 to increase its value from \$1,500,000 to \$1,875,000, or by 25

percent. This increase is the maximum amount allowed without Council approval. This ordinance provides an additional \$1,000,000 to cover expenditures through September 2025. All other terms of the Agreement are unchanged.

An amendment to the Agreement is being requested rather than soliciting new bids for services for several reasons. Hawkins is economical both in terms of billing practices and hourly rates. The firm and its attorneys have worked with the City for many years and have extensive knowledge of the City's processes and practices that make it highly efficient at delivering excellent legal service. Further the market for bond attorneys is extremely small and few firms offer the range of services that the City requires.

Financial and Budgetary Impacts

Work performed by Hawkins is billed to the City on an as-performed basis and the costs of specific services are allocated to the City cost centers that directly use or benefit from the services provided. Transactional costs related to a specific issuance of bonds are typically paid from proceeds of that issue as such needs develop and such work is performed. Non-transactional costs are allocated to the bureaus for whom the legal work is performed. An allowance for such costs is carried in bureau budgets.

Community Impacts and Community Involvement

This is an administrative action taken to authorize an increase in compensation to the City's bond counsel. There is no community impact or involvement anticipated.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

The current Agreement with Hawkins extends through September 1, 2025, but the Agreement's remaining value is nearing capacity. This ordinance provides an additional \$1,000,000 to cover expenditures through September 2025. Work performed by Hawkins is billed to the City on an as-performed basis and the costs of specific services are allocated to the City cost centers that directly use or benefit from the services provided. Transactional costs related to a specific issuance of bonds are typically paid from proceeds of that issue as such needs develop and such work is performed. Non-transactional costs are allocated to the bureaus for whom the legal work is performed.

Agenda Items

278 Consent Agenda in [April 12, 2023 Council Agenda](#)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Mayor Ted Wheeler Yea