

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Bruce Walker		2. Telephone No. 503-823-7772	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (date): March 7, 2012	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: Feb. 29, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Authorize a contract with Merina & Company LLP for a total not-to-exceed amount of \$150,000 (Ordinance; Contract No. 30002508)

2) Purpose of the Proposed Legislation:

To authorize contract 30002508 with Merina & Company LLP for \$150,000 and services through December 31, 2016 to audit, analyze and report on Detail Cost Reports from a sample of franchised garbage and recycling companies as part of Portland's rate-setting process for future garbage and recycling collection rates.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|------------------------------------|---|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input checked="" type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. None. Subsequent rates may increase or decrease depending on evaluation of collection since initiation of the City's curbside collection changes to include food products.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

BPS will pay the contractor from funds appropriated in the budget for Planning and Sustainability, starting in FY 2011-12. Rate-setting administration is funded out of the Solid Waste Management Fund.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* None
- **Will positions be created or eliminated in future years as a result of this legislation?** None

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

N/A

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
n/a	n/a						

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

The contract subject to the ordinance supports a longstanding administrative rate-setting process. City Council authorization is required for a contract over \$100,000.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

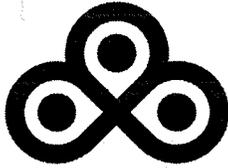
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

This is routine contract authorization. Opportunities for public input occur with Portland City Council sessions. Aside from the upcoming Council meeting, the next option to renew will be at Council in 2016.

Susan Anderson



BUREAU DIRECTOR (Typed name and signature)



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

MEMO

DATE: February 28, 2012
TO: Mayor Sam Adams
FROM: Susan Anderson, Director

1. **Ordinance Title:**
*Authorize a contract with Merina & Company LLP for a total not-to-exceed amount of \$150,000 (Ordinance; Contract No. 30002508)
2. **Contact Name:** Bruce Walker, BPS, 823-7772
3. **Requested Council Date:** March 7, 2012
4. **Consent Agenda Item** **Regular Agenda Item**
 Emergency Item (explain below) **Non-Emergency Item**
Emergency action is necessary to contribute audit results for the rate-setting process in a timely manner to undertake analysis of solid waste rates.
5. **Purpose of Agenda Item:**
To authorize contract 30002508 with Merina & Company LLP for \$150,000 and services through December 31, 2016 to audit, analyze and report on Detail Cost Reports from a sample of franchised garbage and recycling companies as part of Portland's rate-setting process for future garbage and recycling collection rates.
6. **History of Agenda Item/Background:**
Since the development of the residential franchise system in 1992, the City has set rates for the collection of curbside solid waste, recyclable and compostable materials by private haulers. The City relies on CPA services identified in this contract to audit the financial reports submitted by a sample of the franchised collectors. BPS had a previous contract with Merina & Company LLP to conduct this analysis and issued an RFP for provision of these necessary services (see next section).



7. Legal Issues:

The services were advertised under RFP BPS 022 and two proposals were received. The selection committee reviewed and scored these proposals in accordance with PCC 5.68 and selected Merina & Company LLP to continue working for the City for five years, with option to renew for an additional five years at City Council's discretion in 2016. Periodically the City solicits new contracts for the ongoing need for these services, but continuity is essential for an annual rate-setting process dependent on interrelationship of multiple professional services contracts.

8. What individuals or groups are or would be supportive or opposed to this action?

The Public Utility Review Board reviews the rate making methodology for solid waste rates and is aware of the need for the CPA review of hauler costs that is provided by this contract.

9. How does this relate to current City policies?

Per City Code 3.33.030, the City authorizes the Bureau of Planning and Sustainability to manage the City's Solid Waste and Recycling collection program. BPS administers the program according to administrative rule ENN 2.02.

In October, 1991, the Council passed Ordinance No. 164701, granting residential solid waste, recycling and yard debris collection franchises within Portland to encourage increased recovery of recyclable material from the waste stream. In March, 2008, the Council renewed the residential solid waste, recycling and yard debris franchise system for a ten-year term per Ordinance No.181666.

