

FPDR BOARD OF TRUSTEES MATERIALS

July 25, 2023

Table of Contents

(To see a specific document, click on the link below)

- [Agenda](#)
- [May 23, 2023, Board of Trustees Meeting Minutes](#)
- [Action Item No. 1 – House of Lopez Campa Contract Authorization](#)
- [Information Item No. 1 - Future Meeting Agenda Items](#)
- [Information Item No. 2 – FPDR Summary of Expenditures](#)

Note: There is no handout for Information Item 1 of the agenda

This meeting will be held virtually

City of Portland Bureau of Fire and Police Disability and Retirement Agenda for Regular Meeting – Board of Trustees Tuesday, July 25, 2023 – 1:00 p.m.

Please note, The Fire and Police Disability and Retirement Board of Trustees are holding this public meeting VIRTUALLY. Meetings going forward will be hybrid which provides for both virtual and limited in-person attendance. Members of the board will elect to attend remotely by video and teleconference, or in-person. FPDR has made several avenues available for the public to listen to the audio broadcast of this meeting, including the City's e-GovPDX YouTube Channel, Channel 30, and www.portlandoregon.gov/video

ADMINISTRATION

The following consent item(s) are considered to be routine and will be acted upon by the Board in one motion, without discussion, unless a Board member, staff member or the public requests an item be held for discussion.

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| 1 | Approval of Minutes – May 23, 2023 Meeting |
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INTRODUCTION OF VISITORS

Public comments will be heard by electronic communication (internet connection or telephone), or in-person. If you wish to sign up for public comment by electronic communication, please register at the following link:

https://us06web.zoom.us/webinar/register/WN_JnlcHXFZSOCmvWKudU6DNw

You will be asked to provide your name, phone number, email address, agenda item number(s) you wish to provide comment on and zip code. After registering, you will receive a confirmation email containing information about joining the electronic/virtual meeting. Individuals will have three minutes to provide public comment unless otherwise stated at the meeting. The deadline to sign up for the July 25, 2023 hybrid board meeting is Monday, July 24, 2023 at 3:00 p.m. Individuals can also provide written testimony to the Board by emailing the FPDR Director Sam Hutchison at sam.hutchison@portlandoregon.gov by July 21, 2023.

ACTION ITEMS

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| 1 | Resolution No. 550 – House of Lopez Campa LLC Contract Authorization <ul style="list-style-type: none">Issue: Selection Committee recommends contracting with House of Lopez Campa LLC to provide janitorial services.Expected Outcome: Board approval of a not-to-exceed amount and contract terms and authorizes FPDR Director to complete contract negotiations and enter into agreement for janitorial service. |
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INFORMATION ITEMS

The following information items do not require action by the Board and are solely for informational purposes unless a Board member, staff member or the public requests an item be held for discussion.

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| 1 | Future Meeting Agenda Items |
| 2 | Summary of Expenditures |

Copies of materials supplied to the Board before the meeting, except confidential items and those referred to Executive Session, are available for review by the public on the FPDR website at www.portlandoregon.gov/fpdr or at the FPDR offices located at: 1800 SW First Avenue, Suite 250, Portland, Oregon 97201. **NOTE:** If you have a disability that requires any special materials services or assistance call (503) 823-6823 at least 48 hours before the meeting.

FIRE AND POLICE DISABILITY AND RETIREMENT BOARD OF TRUSTEES MEETING	MINUTES
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This was a hybrid meeting with the option to attend in-person or remotely via a Zoom webinar platform.

Date and Time: May 23, 2023, at 1:00 p.m.; Meeting adjourned at 3:03 p.m.
Board Members Present: Catherine MacLeod (Acting Chair); Kyle MacLowry (Fire Trustee); Christopher Kulp (Police Trustee)
Also Present: Sam Hutchison (FPDR Director); Stacy Jones (FPDR Deputy Director/Finance Manager) Kimberly Mitchell (FPDR Claims Manager); Julie Hall (FPDR Legal Assistant); Lorne Dauenhauer (Outside Legal Counsel); Aeron Riordon (Actuary, Independent Actuaries, Inc.); Jake Winship (Actuarial Manager, Oregon Public Employees Retirement System); Del Stevens (Retired Portland Firefighter); Kevin Machiz, (Portland Resident); OpenSignal PDX
Motions Made and Approved: <ul style="list-style-type: none">• Motion by Trustee Kulp that was seconded by Trustee MacLowry and passed (3-0) to approve the April 4, 2023, minutes.• Motion by Trustee MacLowry that was seconded by Trustee Kulp and passed (3-0) to approve the use of Tax Anticipation Notes (TANs)
A text file produced through the closed captioning process for the live broadcast of this board meeting is attached and should not be considered a verbatim transcript.

Fire and Police Disability and Retirement

By _____
Sam Hutchison
FPDR Director

CLOSED CAPTIONING FILE

[Captioner on standby]

Director Hutchison: Catherine, we're ready. Can you hear me?

Trustee MacLeod: I can. Can you hear me?

Director Hutchison: Yes, ok so we're ready to go.

Trustee MacLeod: Alright then, I'm going to call to order the May 23, 2023, meeting of the Board of Trustees of the Fire and Police Disability and Retirement Fund. Let's begin with consent items on the calendar if that's correct. The only consent item I see is approval of the minutes from the April 4, 2023, meeting. Does anyone have questions or comments they'd like to make about those minutes? I'm not hearing any. I need a motion to accept the minutes as presented.

Trustee Kulp: I'll make a motion.

Trustee MacLeod: Ok, and do I have a second?

Trustee MacLowry: Can you hear me? Here we go, ok that seems to be a little better. I second.

Trustee MacLeod: Alright then, all in favor of accepting the minutes, say aye. Aye.

Trustee Kulp: Aye.

Trustee MacLowry: Aye.

Trustee MacLeod: Prior minutes are accepted. Let's move on to introduction of visitors. Do people just want to go around the room or online, you'll know better than I who's present.

Director Hutchison: Lorne, do you want to start?

[In-person attendees introduced themselves off camera]

Director Hutchison: That's everybody in the room except for me, Sam, Director. We've got online Franco.

Franco Lucchin: Franco Lucchin, Senior Deputy City Attorney, Counsel for FPDR.

Trustee MacLeod: Welcome, everyone. Sam, correct me if I'm wrong but I think this is the time for in-person public comments and that we have a couple.

Director Hutchison: Correct, we do. The first person will be Del Stevens, and then followed by Kevin Machiz.

Trustee MacLowry: Welcome, Del.

Julie Hall: Good afternoon Mr. Stevens, you have three minutes for public comment, and you'll see the counter on the Zoom team meeting if you'd like to watch that. Thank you.

PUBLIC COMMENT PERIOD – DEL STEVENS

Del Stevens: The audio is a little bit vague for me. I, maybe I have a disability, I'm not sure. But I'm having trouble understanding the volume and the actual wording.

Director Hutchison: [off mic] Is it too loud?

Del Stevens: It's not too loud, it's just not distinct. It's blurred. Has anybody else noticed this also? Maybe it's an individual problem. I'm sorry. I'm trying to follow closely, though. I would like to start by saying that I'm pleased to be here today. I've been retired 21 years, but I have a lot of affection for the Fire Bureau, and I have tried to follow the issues that the members, both active and retired, are still concerned with. And one of the issues was, about two years ago there was a proposal to have a committee that would examine benefits for our retired members, and that never actually occurred. The proposal was talked about, but because of the fact of the COVID epidemic that started, we had no more public meetings. And I just would like to find out if that proposal was active then, is it supported now, and should we not appoint a committee and carry on with that process?

Trustee MacLeod: Okay, thank you. I'm going to make a general comment here that we're a bit at a disadvantage today in that we're without a Committee Chair, and another committee, another trustee on the board. So, I think that makes discussion about any non-ongoing administrative topic a little bit more troublesome, and I'm personally not as comfortable having discussions about meaty issues, potentially, with a reduced board present. So just with that general comment, would other trustees like to respond to Del's comment initially about his interest in creating that committee that got sidetracked?

Trustee MacLowry: I guess my only comment would be, I think that committee, or at least the idea for that committee, was formed prior to my time as a trustee, and maybe if it did get derailed it would be worth getting historical information on the idea of having a committee to examine the benefits is reasonable, but I don't have the history personally in my position. It might be worthwhile either at the next meeting or some point between now and the next meeting getting some of that history.

Director Hutchison: Okay. A couple months ago I had sent you all the board a big packet of information which included the background information of all the board meeting minutes on the prior discussions for the committee or the task force. So, you should have that there, if you need me to resend it, let me know. It has quite a bit of background and discussion on that topic and on what happened and what had been discussed. So, nothing outside of the board meetings - it was not discussed outside the board meetings.

Trustee MacLowry: I'll check my emails, thanks.

Director Hutchison: Email me back or give me a call and I'll resend the email. It was a pretty heavy amount of information, but I wanted to make sure you got the full and complete meeting minutes of everything that was discussed for probably about four or five board meetings.

Trustee MacLeod: Trustee Kulp, do you have any thoughts?

Trustee Kulp: I do not. I did receive the email and I did review it. I'll look at it again before I speak more intelligently on it.

Trustee MacLeod: I might add a couple more comments. At the time that discussion I think had initially surfaced relating to a prior presentation of the equal to or better than test results from several years ago, and discussion about the concepts of service versus disability retirement and the fact that they both are not defined in this plan, whereas they are maybe in the PERS plans. And there were generalized questions about overall retirement benefits relating to tier two PERS and I'm aware of some questions about non-spouse beneficiaries, etc., for retirement. So those were kind of the miscellaneous things that had been bandied about. I would be happy to suggest we put this in as a future board meeting agenda topic, preferably for when we have a full board so that we can get others' perspectives on it besides the three of us. And get some leadership from the chair that is more familiar with the city and the charter, and those kinds of issues more so than I may be. So that would be my first thought is that we put it in as a future agenda topic. And that also, I would prefer this board of trustees which is really more administrative in nature, doesn't try and take the full burden of anticipating what a few members, albeit one set of them regularly participating in this, and have a strong interest, but maybe the other solicitation you made to get the police and fire employees and/or retiree groups to participate and maybe do some of the legwork on issues of concern or suggestions or those kinds of things. Meaning I'd like it to not just be a committee of this couple board members and a couple of retirees, but we need to understand that any discussions we had, if they were intended to go anywhere productive, should have some broader membership involvement.

Any other thoughts along those lines? Okay. Thank you, Mr. Stevens, for your comments, and do we want to make any recommendation to include this as a future board agenda topic?

Del Stevens: I would like to make another comment. If in fact it is agreed upon to establish a task force, I would ask that you include some retired members who have an interest and a background, because there's a lot of retired members that are struggling right now. As you're aware, the inflation rate is over 9%, and the COLA that we're allowed as a retired member is only 2%. Our members are losing their buying power, and particularly it hits widows harder because they have already ended up with only half of what their member was receiving. And so, to me it's a very important issue, and I hope that the board will want to address it and will want to include some divergent viewpoints, because equity, as I noted in your past minutes, is

considered in everything you do. And certainly, retired members deserve equity as well. Thank you very much.

Trustee MacLeod: Points well made. Thank you.

Julie Hall: Thank you, Mr. Stevens. Mr. Machiz, if you're ready to give your testimony? Thank you, Mr. Machiz, you have three minutes.

PUBLIC COMMENT PERIOD CONTINUED – KEVIN MACHIZ

Kevin Machiz: Thank you, I'm Kevin Machiz and I'm here to address questions that came up at the April 4 board meeting regarding Actuarial Standard Of Practice number four (ASOP #4). My public comment for that meeting notified the board of an inconsistency between ASOP #4 and a memo from staff describing a proposed contract with value in excess of \$300,000. Specifically, any levy adequacy analysis would constitute a funding valuation as defined by ASOP #4. In response, a seeming chorus of voices reassured board members that I had somehow misinterpreted ASOP #4 and declared that a levy adequacy analysis would not meet the definition of a funding valuation. These declarations glaringly omitted any reference to the actual definition that could be found in ASOP #4. The definition of a funding valuation is one sentence long and it does not provide any loopholes through which a levy adequacy analysis could escape. Instead, it was insinuated that my views on an unrelated policy somehow biased me and led to my alleged misinterpretation. First, I object to that type of insinuation. It was unreasonable, unfair, and irrelevant to the decision that was before the board. I hope that going forward everyone in these meetings can leave all personal comments at the door and stick to discussing policy. Second, since it was brought up, I'll address the possibility that my conclusion regarding ASOP #4 was incorrect due to some bias. I can tell you this is impossible. How can I be so confident of this? I have spoken to three actuarial experts in public plans that agreed the levy adequacy analysis would meet the definition of a funding valuation. One of them submitted a request for guidance from a member through the Actuarial Board for Counseling and Discipline. The guidance was that the levy adequacy analysis indeed appeared to be a funding valuation as defined by ASOP #4. Therefore, ASOP #4 would impact future funding valuations. I quickly notified your actuaries at Milliman on April 27th. Consequently, when performing a funding valuation, the actuaries should also calculate and disclose a reasonable contribution. I hope it's now clear the board was being presented with mistaken facts leading up to its decision. Finally, I don't view what transpired at the last meeting to be an isolated incident. I have observed a pattern regarding what's tolerated at these meetings, and I hope everyone who attends will do what they can to ensure these meetings embrace a culture of transparency.

Trustee MacLeod: Thank you. I'm sorry you felt that the style in the room was not open to receiving comments. I hadn't felt that myself personally, but I apologize if you felt that way from either members of the board or from others who were presenting. I did not feel like we received information that was biased in terms of the understanding of the actuarial standards

of practice number four, but if you have received information from other actuaries to the contrary, and you have provided that to the Milliman actuaries and you can share that information with us, we'd be happy to receive that and take that into consideration.

Kevin Machiz: To be clear, only actuaries can submit those requests for guidance, and I'm not a member of any of the five -

Trustee MacLeod: That's not what I meant. You indicated you had reached out to three other actuaries, and that they had provided you their opinions and one in fact had reached out to the actual board of discipline and requested some guidance with respect to that. If you can share the specifics of that information with us that you'd like us to take into account, that would be helpful. And did you receive a response from Milliman when you provided them that feedback?

Director Hutchison: I'd like to follow up a comment. If you have questions or concerns with what is happening, what Milliman has done or the board, please route those through me and I will dispense it out. Milliman is employed by us, and we contract them, so we need to be in control over the contract and what is done, because with the time you spend with them gets billed to us, and they have to defend stuff, and we have to be part of that defense, we have to be part of the understanding of what the issue is. That should be coming through us since we're the contractor for Milliman.

Trustee MacLeod: And that makes sense. Really my questions to the presenter here about this information that he requested and obtained, if you can provide that to FPDR staff so they can review that and disseminate that to us as well, that would be helpful.

Kevin Machiz: Everything I have I just shared in my public comment. That's exactly what I have.

Trustee MacLeod: What I'm trying to get at, those are your statements about what you've done. I'm looking for documentation that's relating to that.

Kevin Machiz: I don't have documentation. I'm not an actuary. I'm not a member of any of the five actuarial organizations, and only one of those members can submit a request for guidance.

Trustee MacLeod: I appreciate that. I simply meant that you said you spoke with people and shared that information with others, and I was just looking for specifics about who those individuals were and what their comments were specifically. Otherwise, it's just vague information that you're telling us, which is contrary to information we received in formal comments at the last meeting. So, I just have to put everything in perspective. Did any of the other trustees have comments offer questions about this?

Trustee Kulp: I don't recall any personal attacks on you at any time or anybody referring to you as being biased. I think I was very open to the information you gave. You're obviously very intelligent, you spoke intelligently on the topic, but nobody had any sort of personal attacks on you or referred to you as being biased, what have you. I don't know where that information came from. I don't recall any of that.

Trustee MacLowry: I would second that. And I apologize if it came across as not a fair shake, you're not getting good – not being experts in actuarial practices, you brought up some information and we asked for clarification from our experts, and it's contrary to what the information you just were talking about in your public comment. So, I would second what Catherine had said, if there is any information that you received from talking to those three actuaries that you brought to the light of Milliman, I would like to be able to evaluate that as well. I don't have the ability to take the information you just presented and really put it through the filter of knowledge of actuarial skills and practices. It's not what I do. I'm a firefighter. So, I'm happy to continue to look into the information and the accusations that you're presenting, but we need some sort of concrete information to look at so I know what it is you're asserting so we can then move forward. If that makes sense.

Kevin Machiz: Yeah. What I would say is I'm not an authority on this matter. The actual board for counseling and discipline is the authority.

Trustee MacLowry: I'm not an authority either. But I'm happy to take some more information if you can provide it to me, or to us, to the board.

Kevin Machiz: I don't have anything else to provide. You'd have to go to that ABCD to get that.

Trustee MacLowry: Thank you.

Trustee MacLeod: Thank you. Are there any other public comments at this time?

Julie Hall: There will be more public comment after the ETOB presentation. At this moment we're finished.

Trustee MacLeod: I think we're ready to move to the action items, and the first one is the discussion of the Equal To Or Better than test results. And I'll turn that back over to Sam.

ACTION ITEM NO. ONE – DISCUSSION OF EQUAL TO OR BETTER (ETOB) TEST RESULTS

Director Hutchison: I'd like to introduce Aeron Riordon from Independent Actuaries and Jake Winship from PERS. They're both here to answer the questions and go over the questions and answers they had sent out to you that are in the board handbook. So, I'm going to turn the meeting over to them.

Jake Winship: Thank you. Good afternoon. My name is Jake Winship, I represent Oregon PERS, and we contracted the analysis of Equal To Or Better than, but my colleague performed the analysis, and he will take the lead in this discussion, and I will support however I can.

Aeron Riordon: Thank you, Jake. Board, I'm glad to be here. My name is Aeron Riordon, and I work with the Lake Oswego firm called Independent Actuaries Incorporated and we were hired by PERS to perform the Equal To Or Better than test. I was provided a list of questions from Sam Hutchison, and I prepared written comments, those have been entered into the record. I thought maybe a good way to go about this would be to step through each of the questions and

I'll read it and then read my answer, and if there's any additional questions, we can go into that. I may have misunderstood the intent of the questions, so this is your opportunity to get some more details if needed.

We'll start with some questions that were from Trustee MacLowry. In the letter from Jake Winship, this test was part of the PERS board procedures, I guess. And the second-to-last paragraph regarding the two-step process, it appears the first step which compares a pay-as-you-go system to a prepaid pension system, in addition to a 2.8% versus a 2% defined benefit FPDR will never fail the Equal To Or Better Than test. And this is a letter from Jake to the members of the PERS board from July 22nd, talking about the in-process testing. So, my comment is in the two-step process, our first step is a comparison between the PERS full formula benefit and an employer plan with a defined benefit design, like Portland's. The Oregon Administrative Rules (OARs), the rules state that whether the benefits are provided by trust should not be part of the determination. And that's where I'm addressing the pay as you go versus a prepaid pension system. I agree if all other provisions are equal, a plan with a 2.8% benefit would never fail the ETOB test when compared with the PERS full formula 2% benefit. So, I don't know if that answered your question.

Trustee MacLowry: Can you clarify, it says that whether the benefits provided by trust. What is that referring to? What does that mean?

Aeron Riordon: So, there are two main ways of providing benefits to retirees. One would be that you set aside money ahead of time in trust, and that money is protected, and it's only used for the purpose of paying benefits when those people retire.

Trustee MacLowry: The prepaid system.

Aeron Riordon: Exactly. So, the pay-as-you-go system would be where there are no assets set aside ahead of time, and simply from the general assets, benefits are paid as they come due. So, part of the ETOB test, part of the rules state that the manner in which the benefits are funded, are paid for, is not part of the consideration.

Trustee MacLowry: Okay.

Trustee MacLeod: Before we go on to the next question, just a couple clarifying things about this first one. In addition to the formula, so the 2.8% versus 2.0% per year of service, there are other things that go into the benefit for comparability. That would include the salary or compensation applied to that and whether there's maximum years of service. So, in looking at this, I presume that those are not issues, or were those, I take it those were taken into consideration is what I want to say. If one plan were a final five-year compensation average applied versus the other one that was a final single year compensation applied, or if one had a maximum years of service of 20 years and the other had 30 years, those could create a different result from this.

Aeron Riordon: Yes, I agree. There are any number of plan features which affect the value of the benefit, and we did compare and take into consideration all of the plan features with the exception of some certain features which are specifically excluded from consideration. That would be something like the Social Security adjustments, and a few other things that are specifically excluded from the test.

Trustee MacLeod: Okay.

Trustee MacLowry: I want to make sure I understand Catherine's point. Excuse me, Trustee MacLeod. If you're doing a sideways comparison, it doesn't matter if they're the full level of pension, side by side is side by side. The one doing PERS is full pension, and five-year comparison will be for both sides, unless I'm not understanding exactly what Trustee MacLeod just was saying.

Trustee MacLeod: I'll clarify. What I was trying to say was yes, on the surface if you have one plan with a benefit formula of 2.8% per year of service, times compensation as the benefit and the other is 2.0%, 2.8% is obviously higher. So as this question answers, it will obviously not fail if the only difference between the plan one is was 2.8% per year of service and the other is 2.0%. But the other things that can come into play are the age at which that benefit is payable, the compensation that's applied to that per year of service benefit. And if one of the plans had a maximum year of service credit and the other one didn't, for example, those were the kinds of things, so strictly 2.8% versus 2.0% I would agree on the surface, 2.8% is bigger. But I'm just trying to get into the discussion that there are other variables, and have it addressed that those were all taken into account.

Trustee MacLowry: Okay.

Aeron Riordon: Should I continue with the next slide? The next part, please say more about the discussion surrounding the implicit subsidy associated with post-retirement medical benefits. This is still part of the comments in the letter from Jake to the PERS board. So, I'll read the reply first. An implicit subsidy exists when retirees are allowed to remain on the active health plan, even if they pay the full premium amount. This is because the premium itself does not represent the full cost of covering these retirees. Since they're older than the active population, retirees can be expected to generate higher medical claims than the average claims of the mostly active employee population. If an employer pays a large percentage of the premium amount for active employees, the employer is considered to be providing an implicit benefit to the retirees, because payment of premiums related to the act of employees subsidizes the cost of covering retirees. The only retiree medical benefit provided under PERS is a \$60 monthly stipend applied to PERS sponsored Medicare supplemental insurance. The value of the PERS benefit is quite small compared to the implicit benefit provided to FPDR retirees. Since we determined that the FPDR benefits were substantially more valuable than PERS without considering any implicit subsidy, we have not reflected any consideration of implicit subsidy in our comparison between PERS and FPDR. So that was a lot of words, but basically, we're saying

that without considering this additional benefit, this implicit subsidy, we already found that the FPDR retirement benefits were more valuable.

Trustee MacLowry: Would you not take into consideration when the health plans are being renewed each year through the city, that they know the retirees are on their health plan and they are assuming that risk through the premiums that are generated each year?

Jake Winship: And if I may, my understanding of this is, yes, that is taken into consideration. This is actually related to any selection associated with the retiree benefit, so presumably we would anticipate because it is a relatively substantial benefit, that members in relatively poor health that would incur higher than expected costs, there would be a benefit to them by having this availability; there's basically an optionality. Rather than attempt to quantify the value of that option for a poor health retiree to receive this subsidy, we directed Independent Actuaries to disregard it. So essentially, we were treating that option value as zero, which is more conservative. So, the value without any sort of option value to select that is already well in excess of the PERS health insurance plan that would be available. Therefore, we did not need to quantify that. It was already well in excess with the Portland FPDR plan in comparison to PERS, if that helps clarify.

Trustee MacLowry: Yeah, thank you.

Trustee MacLeod: So, let me just say it in different words. Had you valued this implicit subsidy benefit, the gap between the FPDR value benefit would have been even greater than the PERS value benefit. Is that what you're saying?

Jake Winship: That's my belief.

Trustee MacLeod: Okay. Thank you.

Aeron Riordon: I can confirm that. That's true.

Trustee MacLeod: Okay.

Aeron Riordon: Moving on, the next bullet, the following paragraph in the letter talks about the employee pickup. The question is, do I assume it that is not relevant to FPDR as only step one of the process was utilized? And that's correct. And the discussion of the employee pickup, it's only relevant for plans with mandatory employee contributions. It is a term that has a specific U.S. federal taxation meaning, and it would be considered an employer provided benefit. For FPDR, mandatory employee contributions only applied prior to 7-1-1990, and there are only five employees in the census, which was provided to us with a date of hire prior to that. So, we did not investigate whether FPDR mandatory employee contributions should be considered pickup contributions. And again, that is only something that would have increased the value of the FPDR benefits since that would be considered an employer provided benefit.

Trustee MacLowry: And I think as you read that, the connotation for me for employer pickup is IAP related. My language, that's 6% is an employer pickup, so I was understanding that in a different context.

Aeron Riordon: I see. That makes sense. We weren't comparing to IAP. Let's move on. So now the questions are specifically about our reports that was provided, and in the methodology section, which is in the report that is different page number. It's page 2 of the report in case you're looking in the report itself. Define level of service retirement. I assume it is promotion related but not sure how they compare classifications. So, in our report the term "service retirement" does not relate to promotions, rather it means retirement from service after attaining required age and service. The other kind of retirement that is considered under the ETOB test is a retirement due to disability. So, I did hear some comments earlier from Ms. Macleod and maybe that's why there's a question about this particular term. In the test we only considered two kinds of retirement. One is retirement from active service, after you've reached whatever the requirements are, and the other is retirement due to disability.

Trustee MacLowry: Makes sense.

Aeron Riordon: Moving on. Please explain what if any additional actuarial assumptions were used.

Trustee MacLowry: In bullet four.

Aeron Riordon: Yes, in the letter from Jake to the PERS board, we discussed some additional actuarial, sorry not in the letter, in our report, that we might develop some actuarial assumptions which were not specifically listed in the Oregon rules. Because FPDR is directly comparable to PERS, there are no assumptions needed for comparison of different types of benefits. In some cases where detail was not available, we made assumptions that would err on the side of increasing the value of the PERS benefits. As an example, since the FPDR consideration of unused sick leave and the determination of pension benefits was not directly addressed in the SPD or valuation reports we received, we made the conservative assumption FPDR are retirement and disability benefits do not consider unused sick leave. So, in general, we did not have to make any assumptions when comparing PERS and FPDR. But when we did, it would be something like this where it was again, an assumption that would not change the outcome of the test. If we had assumed the opposite, that would have made it more likely that - sorry, the FPDR benefits would be, I'm getting turned around, it would increase the value of the FPDR benefit if we assume the sick leave was reflected.

Can we give a brief summary of the full formula calculation method? The PERS full formula method of calculating retirement and disability benefit whether tier 1, tier 2, or OPSRP, is determined by multiplying a percentage, 2% for tier 1 and tier 2, and 1.8% for OPSRP by years of service by average monthly compensation, and the average monthly compensation is based on the final three years of employment. So that is the benefit that we were comparing.

Trustee MacLowry: The defined benefit.

Aeron Riordon: Yep. The question is, where is Social Security represented on the balance of the scale with this methodology? To my knowledge, all other Oregon firefighters calculate Social Security into their retirement. And the response is simply that the ETOB test states that we may not consider Social Security benefits or participation.

Trustee MacLowry: So, I understand that is directed by that statute, that just, it seems sensible that that's something every other firefighter or police officer in the state is counting as part of their retirement, that could be somehow folded into the valuation? Or at least the comparison? But I guess I understand that that's what the statement is in the administrative rule.

Jake Winship: I may speak to that a little bit. That was part of PERS direction to independent actuaries, that wasn't an item mentioned, and we did have discussion. From PERS perspective, each individual employer may elect to participate in Social Security or not at their discretion. So, our treatment in other contexts as well is to make the assumption that the alternative selected by an employer would be the same should they be a member of PERS as it is not in PERS. Therefore, if they have the election to be part of PERS and not participate in Social Security. If they were required, the wording would be different, but because we have that, the OAR specifically includes, pardon me, excludes consideration of Social Security benefits and participation in that program. So that's direction from our legal department at PERS.

Trustee MacLowry: That holds for all ETOB tests around the state, not just Portland?

Jake Winship: That is correct. Every plan subject to ETOB evaluation is subject to the same rules.

Trustee MacLowry: May I make sure I'm understanding your comment about that again correctly? Are you saying that the interpretation is that an organization's decision to be part of PERS versus their own program such as FPDR would not be determined based on whether or not, I'm going to say it differently. Their decision whether or not to participate in Social Security benefits would be independent of their decision to participate in PERS or another program?

Jake Winship: That's correct. Because -

Trustee MacLeod: So, it is out of the consideration, you're saying you have assumed for purposes of this test that that's a separate decision that would not be impacted by their decision to be in PERS or another program.

Jake Winship: That is correct. And just to avoid ambiguity, that's why the administrative rule was modified to explicitly exclude consideration of Social Security benefits. But that is the reasoning behind it, that because a plan can participate in PERS, and simultaneously not participate in Social Security, we did not wish to value the option selected.

Trustee MacLeod: Thank you for clarifying.

Aeron Riordon: Moving on, the next question is about bullets nine and 10 from our report, and I'll read those two bullets. This is talking about the methodology we used in the test. Our comparison does not value the transfer of investment risk and mortality risk between employee and employer, inherent in the plan design differences of defined benefit and defined contribution plans. And bullet 10, our comparison does not include increases to retirement benefits under certain statutes of Oregon. So, bullet nine is not applicable to the comparison between PERS and FPDR because both plans use a defined benefit design. In a defined contribution plan, the employee typically bears all investment risk. While the value of this risk could be considered in comparison of benefits provided by plans of differing design, defined benefit versus defined contribution, the subjectivity of such a consideration makes its inclusion in the ETOB test problematic. So, because PERS is a defined benefit design, and FPDR is also, bullet nine doesn't really apply. That would be talking about the value of investment risk or mortality risk and trying to compare a defined contribution design plan with something that's defined benefit like PERS.

Trustee MacLowry: Can we drill down on this one for a moment?

Aeron Riordon: Yeah.

Trustee MacLowry: Correct me if I'm wrong, I'm not an expert, but the defined contribution is a part of the PERS pension. Am I correct?

Aeron Riordon: It is a part of certain types of the plan, but those parts of the PERS plan were not considered. So, I think maybe you're thinking of the individual account plan.

Trustee MacLowry: I am, most definitely.

Aeron Riordon: And that's not part of our testing.

Trustee MacLowry: I'd like to drill down on that decision a little bit if I could, because it doesn't make any sense to me. I guess the wording here is that, inclusion of that is problematic, and as I understand it, this sort of trying to figure out, I guess what the value of someone's IAP in 25 to 30 years is problematic, but isn't that sort of part of the job description as an actuary, to try to project something like that, that could then be part of the value of a pension for someone who is in PERS? Whether it's tier 2 or tier 3?

Aeron Riordon: And I am afraid this is another case where the Oregon rules actually state that only the full formula money match and the formula plus annuity and OPSRP benefits are part of the testing.

Trustee MacLowry: So, you are restricted by the ORS, or the rules for the testing is to only do the defined benefit portions.

Aeron Riordon: Only the defined benefit portion of PERS. But there are some employers that have defined contribution designs.

Trustee MacLowry: Okay, thanks.

Aeron Riordon: So, bullet 10, which was talking about increases that retirement benefits, that is a rule that requires police and fire pension benefit increases to match some PERS benefit increases for participants who pay Oregon personal income tax, and those increases are also explicitly excluded from the test.

So, moving on in the report. Paragraph three and four, and this is in the test result section, it says both paragraphs three and four seem to dismiss the disability portion of the FPDR benefit. And this is one where it might be helpful to talk about the question, I'm not sure if I answered it in the way that you're expecting. So, paragraph three says, only the benefits provided under FPDR 2 are relevant to the ETOB test, since no members of FPDR 1 are active as of the testing date, December 31st, 2020, and members of FPDR 3 are covered by OPSRP, with additional benefits provided by the City of Portland and are by definition receiving benefits Equal To Or Better than those provided by PERS. So that's what our paragraph three says, and I've tried to restate that here. I'm not sure, I believe members of FPDR 3, the additional benefits are additional disability benefits, so since they're already receiving OPSRP benefits, the additional benefits mean they'll pass automatically. So, we're only looking at FPDR 2. And we do discuss disability benefits, and the table, which is following these two paragraphs, we discuss a side-by-side comparison of the disability benefits between FPDR 2 and PERS. Please let me know if that wasn't what you were getting at.

Trustee MacLowry: Maybe we'll get back to it, thanks.

Aeron Riordon: Okay. The next question, under covered compensation, what bonus is being referred to in addition to salary? And in our comparison, the bonus refers to any increase in salary rates due to premium pay. So, in general, I believe bonuses are not considered in the FPDR benefits, but when we refer to bonus, that's what we're talking about, increases due to premium pay.

Trustee MacLowry: Premium pay is part of FPDR salary.

Aeron Riordon: Right.

Trustee MacLowry: I was just clarifying bonus because I didn't know your terminology.

Aeron Riordon: Thank you. Over pages 102 and 103, where as IAP added comparison, we discussed that, the Oregon Administrative Rule actually specifically excludes the IAP.

Trustee MacLowry: And this may not be the time for this, maybe something for further discussion with the board, but it does seem that, and I understand you were doing exactly what you were contracted to do, but as far as the value to the membership who are receiving these benefits, to leave out the IAP almost renders this test, without being harsh, almost meaningless in a sense because that is such a large and viable portion of someone's pension. And I'm thinking more about the people in OPSRP, I'm more in tune with that one, I'm not as familiar

request the PERS tier 2 version, but it is something that goes back to the FPDR reform of 2006 and 2007. There's a lot of discussion of how that portion of the pension was going to be the added piece that would make it worthwhile for the police and fire to move out of FPDR into OPSRP as their pension. So that is just something I wanted to touch on for the record. It can be discussed later, but it was something that I noticed and was very curious as to why it was not part of this test, and I'm understanding now it's the way that it was structured and a way that you are governed by the restrictions of the administrative rules. So, I just wanted to put that out there. Thank you.

Aeron Riordon: The next set of questions were questions that were from the FPDR staff. Question one, walk through the test requirements, namely that total FPDR benefits be at least 100% of the value of total PERS benefits. I'll stop there and answer. So, when considering the aggregate retirement disability and post-retirement healthcare, the employer benefit must be shown to be more valuable than PERS, and I provide the rule. So, in the test we look at all of the benefits, the retirement and disability and post-retirement healthcare, and when you consider those categories, the aggregate benefit must be at least 100% of what is provided by PERS. The FPDR service retirement benefits must be at least 80% of the value of PERS service retirement benefits.

Trustee MacLowry: I'm sorry, can I interrupt? Just back to that last point. Talking about the aggregate retirement disability and post-retirement healthcare, how is the disability folded into that equation?

Aeron Riordon: When we do the testing, we didn't do this when we were comparing FPDR and PERS, but we would have assumptions about how often a person becomes disabled, and how often a person becomes retired, and what benefits are due to them at that time.

Trustee MacLowry: But you didn't do that for this test?

Aeron Riordon: Correct.

Trustee MacLowry: Okay. Thank you.

Aeron Riordon: So, there are two main categories of PERS, sorry of retirement benefit, that are considered in this test. One is a retirement from active service with post-retirement healthcare, and the other benefit is the retirement due to disability with post-retirement healthcare. So, when only considering the retirement from active service with healthcare, those benefits provided by the employer must be at least 80% of the value of that provided by PERS. And then the last part of this question is asking about benefits for retirement with disability and the question - Is FPDR benefits for retirement after disability be at least 80% of the value of the equivalent PERS benefit? So, this is saying that when you look at the disability benefit with post-retirement medical, those benefits must be at least 80% of the value of that provided by PERS. So, all together, when you add them all up, must be 100% if you're looking at just service retirement, it has to be at least 80% if you're looking at just disability retirement, it has to be at

least 80%. And our side-by-side comparison showed that in each of the above areas, FPDR is unambiguously more valuable.

Trustee MacLeod: Is that 80% analysis minimum benefit analysis, is that on a per-member basis, or is that for the plan as a whole?

Aeron Riordon: That's a great question. It is not on a per-member basis, it is all members considered together.

Trustee MacLeod: Okay.

Aeron Riordon: And when we talk about those members, the next question will touch on this a little bit. The next question says, explain the testing process in a bit of detail. For example, do they take a subset of PERS employees and pretend they're FPDR employees to calculate the benefits that person would receive if covered by FPDR, and then compare that to the real PERS benefits? So, the Oregon Administrative Rules state that a hypothetical member data should be used. And we have used a hypothetical census, which is based on the PERS Police Officer and Firefighter data used, and the 12-31-2020 PERS valuation. Because our side-by-side comparison revealed that the only PERS provisions which might be more valuable than FPDR are the amount of overtime and used sick leave and vacation time that are reflected in retirement and disability benefits, we only used the hypothetical data to evaluate the significance of these differences in the plan provisions. For example, based on the hypothetical census, we estimated the average Police Officer and Firefighter amount of overtime pay that would be considered under PERS and we applied a corresponding reduction to FPDR benefits because of the fact that overtime pay is not considered.

Moving on, what does the test include and exclude? For example, does it consider taxability of benefits, post-retirement healthcare benefits, level, and type of plan funding? So, in my answer I point out that a couple of those are specifically excluded, through the rules, the taxability of benefits is excluded, and the way the plan is funded is excluded. Post-retirement healthcare benefits are included. But one way that you can see a quick listing of what we have included and excluded for consideration is in our report. In the methodology section, we list the items that were considered. We considered the level of service retirement and disability benefits, so that would be the percentage. Early retirement subsidies, the definition of the covered compensation, mandatory employee contributions, the normal form of payment, and optional forms of payment that are available, Cost-of-Living Adjustments, and then the amount of explicit and implicit post-retirement medical benefits. So, this is from our report, and it is page two of the report. But I believe that was probably, if you're looking at the aggregate provided in your questions, Mr. MacLowry, page 100 out of 352.

Trustee MacLowry: Got it, thank you.

Trustee MacLeod: Just to clarify again, in your example of your discussion of the things that the OAR require not be considered in the testing, you talk about taxation of benefits. So again, in

the FPDR plan, benefits paid at retirement for those who left service due to disability, if they are taxed under the FPDR plan but are not taxed through PERS, that differential would be ignored. Correct?

Aeron Riordon: Yes. That's correct.

Trustee MacLeod: Okay. Thank you for clarifying.

Aeron Riordon: Moving on to the next question, do you require FPDR to have the same benefit features as PERS? And the answer is no. The test considers the actuarial present value of benefits, not individual planned features. So, we do look at the plan as a whole, but as I mentioned before, when comparing side by side, there were only three types of features that could potentially be more valuable under PERS.

The next question, how do you compare FPDR pension benefits and PERS pension benefits when they're not exactly equivalent? For example, FPDR pensions have a higher accrual rate, 2.8%, than PERS. But FPDR final pay does not include overtime, whereas PERS final pay does. Another example is the fact that the PERS pension is a hybrid benefit, part defined benefit and part defined contribution, which is inherently riskier for the employee. How do you conduct these apples-to-oranges comparisons? As I've mentioned a couple times now, we actually exclude the comparison soon between the IAP, so that removes that difficulty, but I'll just read part of my answer. A side-by-side comparison of just the accrual rate is very simple to qualify. This benefit is 140% more valuable, 2.8% divided by 2%. Other plan features such as the value of the normal form of benefit of payment of benefits, are also quantifiable using actuarial techniques. So, there are some plan designs which have a different form of payment, and we have some specialized actuarial software that will allow us to compare the relative value of different forms of payment.

I'll keep going with the questions. Additional questions, how does FPDR participate in testing? Does FPDR have any influence as to how the test is conducted? Can FPDR review the test results before they are presented to the PERS board? The test is performed by an actuary retained by the board, that's me. And we provide the report to PERS, so I don't believe FPDR can review the test results before they are presented to the board. The question about how FPDR participates in the testing, that is at first limited to providing any additional information that is deemed necessary by the actuary.

The question, if FPDR failed an ETOB test, who would it impact? Would there be any impact to FPDR members already retired, or just those FPDR members still working? The answer is that if they failed the test, I'm sorry. If the plan were amended to comply with the Equal To Or Better than requirement, it states the amendment would be retroactive to the valuation date. So, the most recent valuation date is 12-31-2020, and there would be no impact to any FPDR member who retired before this date, only actively employed members accruing benefits as of the date would be affected. So, if you failed the ETOB test, you have an option to amend the plan to

increase benefits, but that would only affect people who were actively accruing it at the time of the test.

Question, what are the options if FPDR were to ever fail an ETOB test? If the board were to deny FPDR's petition for exemption from participating in PERS, they could choose to participate in PERS or could amend the plan, and the amended plan would again be tested for Equal To Or Better than status. Question, who has the authority to change the ETOB test requirements? And for that I would refer you to the PERS board and the Oregon Secretary of State for questions about that process.

Jake Winship: And I'll just follow up a little bit because we welcome any insight that you had. So, if board members or the board as a whole feels that it's appropriate to amend the procedures and the rules governing the ETOB process, I would recommend submitting a letter to that effect with any proposals to the PERS board and our staff will forward and incorporate that into the regular procedures of our board alterations. Statute, as I understand it, requires this certification, which again as Aeron mentioned, is very much an up or down vote for each individual plan. It either passes ETOB and thus qualifies to be exempt from participation in PERS, or it does not. And he went into some of the options if it does not qualify for this exemption. But obviously if there are any inadequacies, if there are concerns expressed by the board, I perceive that would receive some due weight and would receive some due weight, and PERS would direct agency staff to make appropriate amendments to reflect those concerns.

Trustee MacLowry: I can say for myself, I appreciate that, and I appreciate the time of both of you for coming down and explaining these things. I think it's incumbent upon me certainly to understand this the best I possibly can, being this is the first time through the ETOB test as a trustee. It's very interesting. One thing that sticks out to me at the end of this discussion, on page 104 the last thing, I remember at a meeting in March, I think, when we first talked about this, Director Hutchison saying the valuation came at 140% or so of the PERS value. And it said at the end, the benefits provided by the City are at least 140% the value of those provided by PERS, which is essentially this exact same ratio that was talked about earlier with your side-by-side comparison of just the accrual rate is simple to qualify. They seem to be basically the same. All these different things were folded in, actuarial assumptions, this implicit benefit, around 140%. I just wanted to point that out. It seems interesting that essentially may be the foundational bottom line to this whole test.

Aeron Riordon: I would agree, a large part just relies on that percentage that's available, the accrual rate. However, it was a coincidence that it's the same number.

Jake Winship: And my understanding, and perhaps you could speak to this a bit more, Aeron, the actual comparison, if that's divided into components, both the service retirement portion was well in excess of 100% as well as the disability portion being well in excess of 100% of comparable PERS. My understanding is that the relative value of the retirement portion was more than 100%, but less than 140%. And the relative value of the disability portion was

greater than 140%, and as he mentioned, the 140% was kind of a coincidence. Is that more or less correct?

Aeron Riordon: I'd have to look at the details of our testing to confirm that. But they were both well above 100%, I would agree with that.

Trustee MacLeod: I'd like to add my thanks and appreciation to your discussion of the test in detail and responding to these individual questions. I think it's been very helpful to us, and we've heard prior comments in the past, but this has been very thorough in terms of the review of the nitty gritty of what is included, what's not included, and specifically what the requirements are, because that's been a bit of a confounding part in the past, when a logical comparison might say, why aren't Social Security benefits, or why aren't taxation of certain benefits taken into consideration? It's important for us to understand that for purposes of this mandated requirement to test, there's rules for how it's being conducted and you're following the rules. So, I really appreciate, again, the IAP portion of the plan is another example. So, I really appreciate the clarification of those things, and that makes it a separate matter should the plan members feel that there are issues relating to the comparability of their plan benefits to other PERS members that concern them, than that is a separate matter apart from this test and its results. I want to thank you for all the clarifications and the quality of the test. Do we need to accept the results of this test formally to make a motion to do that? Or has that been done already?

Director Hutchison: Catherine, just one last question. When is the next ETOB test scheduled?

Trustee MacLowry: No less than 12 years.

Jake Winship: Yes. Current statute says that ETOB evaluation must be performed at least every 12 years. So that would require that to take place on or before 2034.

Director Hutchison: Thank you.

Trustee MacLeod: Thank you. And again, Jake, go back to a comment you made there toward the end about, if FPDR felt that there were aspects to the testing requirements themselves that were of concern to us, things that should be included that aren't, are you saying that you feel that these are things that have any realistic possibility of change at the PERS level, or are we one of many, many voices and it's not likely that this is going to get revisited?

Jake Winship: I would say it's somewhere in between those. There are currently nine police and fire plans that are exempt from PERS participation. So obviously that's a small universe, and Portland FPDR is the largest of those nine plans. Certainly concerns, especially as a board that would be identified and addressed to the PERS board, and/or the Secretary of State would be taken seriously and considered, but I have no guarantee they would be adopted. But they would certainly be reviewed and given appropriate consideration.

Trustee MacLeod: Thank you. All right, any other questions? Back to my original comment, Sam, do we need to make a formal motion to accept the results of the test, or is it just administrative in nature?

Director Hutchison: This is just administrative for your information only, so no need to accept a report.

Trustee MacLeod: Okay. Thank you again, I thought that was a very helpful.

Aeron Riordon: It's been a pleasure.

Jake Winship: Thank you.

Julie Hall: Now that the ETOB presentation is over, Del Stevens has comments to make. Do you want to come on up? Okay, have you three minutes and I'll start the timer momentarily.

PUBLIC COMMENT FOR ACTION ITEM NO. ONE – DEL STEVENS

Del Stevens: Thank you for taking a question from the floor. I'm not exactly sure how to phrase this without making an accusation, but if in fact Portland does pass the Equal To Or Better than test, how do you account for the fact that disabled people in Portland are required to pay IRS income taxes? And disabled people under PERS are relieved of that burden. It's an extreme hardship for disabled people to pay upwards of 30% of their disability income out in federal taxes. Was that taken into account when you did your Equal To Or Better than study?

Director Hutchison: Del, we'll have them come up and answer your questions later.

Del Stevens: Anyway, I am concerned with equity for our retired members. I'm in contact with a lot of them, and I know that a lot of them are suffering hardships. As I said before, the buying power of a disability pension is decreasing every year with our inflation rate. I understand how the COLA was established; I was part of the committee in 1989 that created our tier 2 pension plan. However, it's not equitable today, and our members are in fact impaired from the disproportionate tax that they have to pay on their pension. And I don't understand why that is not part of the Equal To Or Better than test. Could somebody from PERS respond to that, please?

Aeron Riordon: I'll address the first part of the citizen's comment, and that is that the taxation of the benefit is not considered. And I understand that there are many people where the taxation of a benefit like that would be a burden, however, that's not part of the comparison in the test.

Jake Winship: I would just echo that, and just concede that perhaps the rules established for the conduct of ETOB are not perfect, but they are those which govern the process. And that process was followed and part of that is that the taxation is not considered. One of the challenges philosophically, and again, this is my opinion and perhaps I should withhold it, there

are challenges with assessing the impact of taxation that require additional assumptions. Nevertheless, the ETOB guidance does explicitly exclude that consideration.

Director Hutchison: Again, thank you very much for the follow-up answers.

Stacy Jones: Chair Macleod, are we ready for the next item?

Trustee MacLeod: Yes, we can move on to Tax Anticipation Notes.

ACTION ITEM NO. TWO – TAX ANTICIPATION NOTES (TANs)

Stacy Jones: Just to state for the record again, My name is Stacy Jones and I'm the FPDR Pension and Finance Manager. I Believe this is the Only Action Item before the board today. Sorry, I keep looking up, otherwise I feel like I'm staring at Trustee MacLowry. It's right up there and also to the sides, I'm kind of pivoting around. I believe in is our only action item today. This is our routine annual tax anticipation note issue, which the board always authorizes at their May meeting for borrowing in July or August. All three of you here today, you've done this at least once, so hopefully you have some vague memory of this. I bet Trustee Macleod has more than a vague memory, she's gone through this process many times. But just to refresh everyone's memory, we rely pretty much, I know you all know this, pretty much entirely on our property tax revenue to fund all of our benefits and administrative expenses. And our fiscal year starts on July 1st, but we don't get the majority of our property tax revenue until mid-November, when those first payments and those folks who are taking the option of paying in full when those payments start rolling in. So, we are faced with the problem of funding our expenses from July 1st through mid-November. So, every year we borrow money to bridge that gap by issuing something called Tax Anticipation Notes, or what we lovingly refer to as TANs, notes are just short-term bonds, and we will pay them off in January after we have the majority of our tax revenue. So many, many, many, many local and state governments issue TANs, there's a well-developed market for them, and they're tax exempt of course, which means those who buy them get to keep their interest earnings tax-free, which in turn means we get charged less interest for issuing them. In addition to just being necessary from a cash flow perspective, let me also remind the board that every year at least until this year, it has also been financially advantageous for the fund to issue TANs, and that is because we've always paid less interest on the TANs than we have earned on the funds in the City investment pool. And Trustee Macleod has heard me fret about this for years, every year I say that's always the case, but this year it might not be the case. I feel like I'm crying wolf because it turns out we always do come up with positive arbitrage. Well, this year is the first year at least that I know of where that did not happen. We paid 1.9% interest on our TANs, and for the six months we had those funds, we earned 1.2%. This would be on an annual basis. So, I think that's the first time, it's the first time I'm aware of where we wound up not coming out ahead on the deal. It could have been worse, we took the advice of debt management and went with a private TANs placement with a private bank last year and took advantage of kind of a lag in interest rates between those two markets, between the banking markets and the municipal bond market. It would have been

even worse if we had borrowed on the municipal bond market like we normally do, but all the same, we did wind up in that situation this year. I do think this is an anomaly. I don't think it's the new normal. This has really brought on by the very unprecedented interest rate environment that we've been in for the last couple years. But I do want to let the board know I wouldn't be surprised if that same situation repeated this year, and this is something that we're obviously going to be watching very closely. So for that reason, I am going to recommend repayment again in January. It used to be that we would hold the money as long as we could and pay it in June, because we were making money. Well, now I'm really glad we repaid the funds in January since we were losing money and I want to make sure we repay again in January this year. So that is the plan. But whether it does or doesn't come out ahead financially for us, it is still necessary from a cash flow perspective, because we have to cover our expenses between mid-August which is when we're going to run out of fund balance, and November 15th.

A couple more things, just to say before I take your questions, we do plan to issue notes on the public municipal bond market this year. We're not seeing that sort of reverse split between the public bond and the private bank loan rates that we were seeing last year. So, we are pretty confident that issuing public notes will be less expensive, even after we consider that they're more administrative expenses associated with that, because we have to get a Moody's rating and we need closer involvement of bond council and all those things cost money. But even considering that we're confident it will be cheaper to go to the public municipal bond market this year. We're planning to issue in August and repay in January, as I just said. And let me talk about the dollar amounts. So, we budgeted for \$38 million, and that is the borrowing amount I'm asking the board to authorize today. We just completed our preliminary cash flow projections, and I think our low point on November 14th is going to be about negative \$30 million. And I'm going to borrow that extra, again, within the allowances the IRS permits. So, I'm thinking that we're going to borrow \$33 to \$34 million, but I'd like you to authorize the full \$38 million so I have some flexibility, because we won't finalize that amount until June, and of course the board wouldn't meet again until July. But we need a final amount in June so we can go through the whole preliminary offering statement process with bond council and get a rating from Moody's in July. So, we will continue to fine tune that amount, but right now I think it's going to be in the \$33 to \$34 million range, and just for context we issued \$28 million last year in Tax Anticipation Notes. Any questions that I can answer? No? I see Trustee Kulp shaking his head. All right, I do need a resolution. I need the board to formally authorize Sam and I to borrow this money. I believe have you a resolution in your materials.

Trustee MacLeod: Number 549, do I have a motion to accept resolution 549 as presented?

Trustee MacLowry: I'll make a motion to accept resolution number 549 as written.

Trustee Kulp: I will second it.

Trustee MacLeod: Those in favor say aye? Aye.

Trustee Kulp: Aye.

Trustee MacLowry: Aye.

Trustee MacLeod: Thank you, Stacy.

INFORMATION ITEM NO. ONE – SUMMARY OF EXPENDITURES

Stacy Jones: Thank you very much. Now moving on to I think update and information items, I believe the expenditure report is up first, so I may as well just stay up here. The report in front of you, if you're looking at a physical paper copy notice it's been folded, because we're at that point in the fiscal year where we try to save your eyesight and put it on slightly bigger paper. But we, this goes through March, which was the month that had closed when we prepared this for you, so we could send it out to you two weeks earlier, April is closed now. The most unusual thing that's going on, and I think I've mentioned this before, is that we have not, you don't see any expenses on this report for PERS contribution reimbursements to police and fire, and those would be down under internal materials and services. And their FPDR 3 pension contributions, you can see we have a budget of about \$33 million and we have spent zero dollars, but we do have that money flowing out in May now. They finally, police and fire billed us, I think they mentioned they've been consolidating administrative back house functions and there's been a little bit of a delay, a lot bit of a delay, in getting those billings to us. But when we got them, they were pretty much correct and we didn't have to make too many changes to them so that was a positive improvement. So, we've got about \$23 million of those reimbursements now, and the next time you see this report you'll see that those are gone. The only other thing I might mention, if you look at miscellaneous revenue, you'll see we've got quite a bit more than we budgeted. And that is interesting come on fund balance, but it's connected to the PERS contribution delay, and that we have been sitting on that \$33 million in PERS contributions which we're happy to pay as soon as they bill us, but we are collecting the interest for a little bit longer on that money than we had anticipated, and then in addition to that, interest rates have been higher than we budgeted for as well. Those are the only things I would point out. Are there any questions about the expenditure report?

Trustee MacLeod: It's nice timing they left those billings for so long, because it helped offset the other -

Stacy Jones: I know, we should thank them. The first time we had a negative spread, police and fire helped us out by not getting their billings to us

Trustee MacLeod: Any questions? Okay. Thank you.

INFORMATION ITEM NO. TWO – LEGISLATIVE UPDATES

Director Hutchison: Okay, I've got a few informational items to go through. The first one is a legislative update. This legislative session, there were not a whole lot of bills that would directly impact FPDR. The legislature is still in session and will be potentially through June 25th.

I don't know if you've been paying attention to the news, but the Republicans in the Senate have not participated in the Senate itself, so there's been no quorum since May 10th. And it looks like they're going to remain out until probably the week of June 20th before they come in and then they're only going to come in and do budget bills. Any policy bills or other bills out in the system that require Senate approval will likely not get that approval this year.

There is one bill that I was excited about that did get passed and has been signed into law by the Governor, and that's House bill 3111. This bill exempts from public disclosure personal information of employees and retirees maintained by a retirement system operated by a local government, that includes FPDR. This bill provides FPDR retirees with the same protection of confidential information that PERS retirees receive. Prior to this bill, our retirees did not have their personal information such as date of birth, addresses, email addresses, telephone numbers and the like protected. Fortunately, over the past several years we have received only a couple of minor requests for some of that information on an individual basis, and we've given the information that we felt was not confidential and refused to give the balance of that information, and fortunately no one challenged us on that. We were also very fortunate that there was not a what I would call massive data request. The city gets that often, PERS gets that often. If we had gotten that data request where they wanted all this information on all retirees, we would have refused to send that information, but more likely than not, we would have lost the appeal and would have been required by the State statute and State regulations to have released that information. This has been bothering me for eight years. I've been trying to work with our government relations office and some other people in the legislature to get this wording put into a bill. A couple of years ago it got close, but the bill never progressed, and this year it progressed and was considered a high priority. Thanks to the League of Oregon Cities, because this not only impacted us, but it also impacted other cities, that's a big plus for saving our retirees' confidential information.

INFORMATION ITEM NO. THREE – FPDR UPDATES

Director Hutchison: We have 2 vacant board positions. The board chair is the designee of the mayor, so it's in his court to select his designee. The mayor's office and Commissioner Gonzalez's office have started a search for possible designees to serve as Board chair. A couple of names were mentioned; one person withdrew, and the other person was unfortunately a former Police Officer and per the charter, the mayor's designee cannot be a member or former member of the FPDR plan. I checked with them late last week, they're still in the process of identifying people. I am appreciative of the mayor's office this year because they jumped on this within a week of being told of the vacancy and have been working on it. In the past this has sometimes taken four or five months before any action was taken. James Huang's position is available, citizen trustee, this one has to be nominated by the mayor and approved by Council, but it isn't a delegate of the mayor, it's a different position. And I want to thank Catherine and James, both have given me some names and we're trying to wait to see if people are interested. If they are, I'll pass those names on to the mayor's office for final consideration moving forward

with that, and their only requirement is they have to be living in the city limits of Portland. So, we're moving ahead on those. We'll just keep our fingers crossed that we can get some names and get some people in here as quickly as possible.

The FPDR strategic plan, I wanted to thank all of you for going through the interviews with me and discussions. Pregame, who was interviewing both the staff, the fire and police liaisons, the fire and police chief, the union presidents, as well as a lot of active duty FPDR 2 members and FPDR 3 members as well as retirees, all those interviews have been done. They've accumulated a lot of good input and recommendations. So, we're now in the process of beginning to put all those recommendations and information together to create a strategic plan. We're still on track for completing that by the end of June, and we'll share that with you and go over it with you in the July board meeting.

Trustee MacLowry: Quick question there, Sam.

Director Hutchison: Yes.

Trustee MacLowry: Will there be any information from the survey and the information they gathered from their interviews coming forth to the Board to review?

Director Hutchison: I'll talk with them and confirm but would like to share this at a high level with people. They intentionally do it at a high level so that there's no way anybody in FPDR and the City can trace particular comments back to individuals. Anonymity is extremely important to do this. Yes, we'll talk about that in July, both of what we learned during the surveys as well as what we've put together in the actual plan itself.

The next part is the janitorial contract. When we moved into our building last July, as part of the lease approval by City Council, we were required to seek out a janitorial service that uses union employees. The janitorial service used by our landlord is not union, so we were told we have to go out and find our own. In addition to that requirement, if we find our own, we have to find a vendor who is part of the Oregon Forward program, which is one designed to get vendors that help disadvantaged people get jobs. So, we have the two requirements, it has to be non-union, I mean, excuse me, union employees, and part of Oregon Forward. Fortunately, we started negotiations with a firm that met both those requirements. We were going back and forth for quite a while. Then it came to November, and they pulled out. They had a couple of requirements in there to do that they did not want to comply with, so they pulled out. So that put us back to ground zero, and again, we have these two requirements. Facilities went out and interviewed the Oregon Forward approved vendors to see if anybody would be interested in coming to put in a bid for FPDR service as well as are they union or nonunion employees. That was unsuccessful, finding anybody who wanted to participate with us. So again, we went back and talked with Commissioner Gonzalez, he's the representative of the Council who passed the ordinance requirements to do this. The idea or intent is to still try and find union employees. So, after doing more research, we went ahead and issued an RFP

requesting for janitorial services using union labor. We finally got the responses back a week or so ago. The committee that's reviewing all the responses will have a recommendation, probably next week, on what to do. So again, we're not certain if any of them will qualify, meeting all of that, especially union, we won't know until the committee makes their decision. What we've been doing since July has been using our landlord's janitorial service and paying extra for it. We will continue to do that until a decision is made and should we not find a union vendor, we will probably stay with the landlord. It's a little bit cheaper to do and it doesn't require us to do a contract because it's built into the lease of what we're doing. I've already run this by commissioner Gonzalez's office, he supports it. I'll run it past him again we should go that way. We have made a lot of due diligence effort to meet both the State and the City requirement. Again, if the worst case fails and we can't find one, we'll stick with the landlord. If we do find one, we will have to do a contract. And the reason why I'm not asking you to authorize me to do a contract, because we're nowhere near even starting negotiation on a contract. So at some point, I don't know - I'll just put this in your head here, is that we may have to have an intermediate one-subject Zoom board meeting to approve a contract between now and the July session. If that happens, I'll talk to you to see if you're game for that, it will just be that one topic. We'll probably have a completed contract ready for you at that time. So, any questions on the janitorial service? It's been one of those nightmare things that's taken us this long to get where we are and I'm not certain it's resolved yet. We'll keep plugging away with that.

The last thing, future meeting agenda items. So, July, the janitorial contract approval then at the latest, it assumes we're going to do a contract, I may try to get that done earlier if we need to. We'll roll out the strategic plan and do that with you. Due to some of the legislative updates, there are some bills changing workers' compensation, not impacting FPDR, but there are some things that we like in those bills. We'll be talking about do we want to change our administrative rules to match some of those bills that are going for workers comp, and they're favorable to our members to do that. And so in July, if we go that route, we'll give you a high-level overview of what we're thinking and then we'll tell you what the process is to make that process. If there are any other final legislative updates of importance, we'll share that with you at that time. In September, we have the state of FPDR, that's the year-end recap of what's gone on for the last fiscal year. Then we'll have potentially more on the administrative rules at that time. I don't know if we'll put it up for a vote with the board, we'll delay that until November, because the State of FPDR can be particularly long and we want to make sure we don't shortchange any discussion on the rules. That's where we are. I don't have anything else. Do you have any questions for me or Stacy or anybody else?

Trustee MacLeod: Are there any future board agenda topics any of the other trustees would like to see in the future?

Trustee MacLowry: Funny you should ask. Yes, actually. I apologize for speaking so much today, but there's couple of more things I would like to bring up, if it's okay. The first is, in

regard to the ETOB test, going through all this information about this pension side of the ETOB, and I spoke to this briefly, to Director Hutchison, I would like for us to discuss the ability to do a similar test on the disability side of the FPDR versus the State system. I think it would be worthwhile understanding some of the differences. I know I'm not an expert by any means on the State system, but I believe the claims are different. They're run differently, they're accepted differently, and benefits are different. I think it would be worth having a third-party auditor, not an actuarial service, compare the benefits and the benefits structure.

Director Hutchison: You brought that up to me last board meeting, or when we did the interviews with that to look at that.

Trustee MacLowry: Correct.

Director Hutchison: I have some information; I'll pull it together and send it to the Board. In 2005, in preparation for the 2007 charter change, as well as 2011 and 2012 in preparation for the 2013 charter change, there were discussions on should FPDR move into the workers compensation system. There were a lot of analyses and comparisons done at those times. I'll share that with you.

Trustee MacLowry: Okay.

Director Hutchison: And again, if you want to go ahead and do some additional stuff, that's fine. But I'll share with you because it's pretty detailed. Bennett Hartman, who has been the law firm representing PFFA for a long time, they wrote their own version up on this. So, I will share with you what their report is so you will have it. And it was under the idea of should we move into workers' compensation as part of the charter changes, either in 2007 or 2013.

Trustee MacLowry: Okay.

Director Hutchison: And you know how it went, they were not proposed, and we did not get any pressure or recommendation from the unions or the union attorneys that we do make that change.

Trustee MacLowry: I do recall reading some of that report from 2006. That was quite a while ago. It may be worthwhile, another analysis.

Director Hutchison: I'll share that information with you, I found it in my file folder, there's quite a few documents outlining it. If there's anything else you need, we'll find a way in future meetings to discuss this.

Trustee MacLowry: Okay. And my last thing, hopefully my last, on this may be directed somewhat towards Dr. Dauenhauer. I would be interested in getting some counsel, some expert advice on perhaps some of the information we're getting from public comment from Mr. Machiz. It seems to be different information than we're getting from different places, not

having anywhere else to get the expert advice, I would like to get some clarification on what exactly -

Director Hutchison: Do you know what? Because he's talked over several points today.

Trustee MacLowry: Just specifically today, he's saying the information we got at the last meeting was incorrect.

Director Hutchison: Okay.

Trustee MacLowry: From our experts. So, I just would like, it's hard to get correct information. I know sometimes maybe interpretation, but if there's any way to clarify that. That may be dependent on him presenting some more specific information, but I would like to be able to address his issues if we were at all able to.

Director Hutchison: Okay because he's brought up several issues. But we're specifically looking at the last -

Trustee MacLowry: ASOP Number 4.

Trustee MacLeod: And specifically on that, the matter of whether the actuarial analysis we've been getting constitutes a funding valuation as defined in the standards of practice, and if so, is what we've been getting compliant with what a funding valuation is required to provide. I think that was the issue at hand. There were other issues about, you know, the benefits of prefunding versus not prefunding, but kind of behind that, he had raised the issue of whether or not the actuarial information we were provided was compliant with ASOP 4. It sounds like that was the primary issue being raised in the last presentation.

Stacy Jones: I know you guys are asking Lorne this question, but I'll come back up. I just went to a workshop on ASOP 4 at our professional association this morning, I was able to talk to the person who led it, I mean, he's just the chair of the public practice for Segal, and I talked to him about this issue, and he completely agrees with Milliman. It's a new standard, and I think until people have rolled it out into practice and have a lot of - or if Milliman or Trustee MacLeod wants to get one of those advisory opinions, you could. We're also a super unique plan. I think Lorne had already shared his opinion that it is not a funding valuation. That's the opinion of Milliman and of the folks I talked to at the workshop this morning. It also is not that big of a deal to ask Milliman to calculate that number if you guys want it. I know Loren disagrees with me and thinks we can't pay for that, but I don't think it would be a significant cost, it's just a number, and it's part of what they do for every other plan. So, if the board really wants that number, I personally don't think there's any issue with obtaining that number, but anyway.

Lorne Dauenhauer: I'm hearing my name uttered in vain. Lorne Dauenhauer, Outside Legal Counsel. We did look at it and we looked at ASOP and looked at the language of ASOP 4 and I spoke with Milliman about what was involved with the valuation and concluded on the plain language of ASOP 4, it's not a funding valuation. The purpose is not to determine funding of the

plan. The purpose is to understand the impact of the plan's benefit levels on the levy adequacy, which doesn't affect the funding of the plan, it affects the City's general fund. Where do they come up with the money to pay for the benefits? So, it's not strictly speaking a funding question, and unfortunately, I disagree with it not being a big deal. Yes, it's just numbers, but if it's a funding valuation, somebody needs to come up with a bunch of funding assumptions. Right now, we don't have any funding assumptions because we're not a funded plan. So even if we were a funded plan and we were doing this levy adequacy study and we were like, wow, let's run it and see what happens, we would have a set of funding assumptions we could apply to it. But we don't, so somebody would have to come up with a complete set of frankly arbitrary funding assumptions that are meaningless because we're an unfunded plan. I'll dust off the work I did when this question first came up, just to double-check myself, and we can talk about it at the next meeting just to touch base. But I was pretty confident that we were not doing anything that implicated a funding valuation.

Stacy Jones: And I completely share Lorne's confidence and I didn't mean to be dismissive that Lorne disagrees with me because he disagrees with me for a valid reason, which is that the Board should not waste resources, and it would cost money to have Milliman do this for the reasons Lorne said.

Lorne Dauenhauer: It would cost money and the results would depend completely on the funding valuation assumptions which are completely arbitrary and meaningless at the end of the day for this fund. So, you spend a bunch of money on a number that doesn't mean anything.

Director Hutchison: Say we go through this and make the assumptions; how would this board use that number? How would it influence decisions made by the board?

Lorne Dauenhauer: That's the next question. It's really not a fund decision in terms of should this plan stop being pay as you go. That's a decision up at City Council.

Stacy Jones: In any event, I just wanted to share that I did have another independent opportunity to yet again validate the professional opinion of Lorne, of our actuaries at Milliman, of myself, with several other folks who are national experts on this topic and that they felt the same. They were a little surprised we were having actuaries do the levy adequacy analysis, because it's a financial analysis, it's not an actuarial analysis. So maybe that's part of the confusion with Mr. Machiz as well.

Lorne Dauenhauer: It is financial in nature, but there are other valuations that are non-funding valuations that ASOP 4 recognizes.

Stacy Jones: Yep, we talked quite a bit about that this morning.

Director Hutchison: So Lorne, you'll go through and dust off your thinking and be prepared to come back in?

Lorne Dauenhauer: I'm going to look at what I did because he said, among other things, that if you look at the very definition of a funding valuation, like the question answers itself or something to that effect. So, I'm going to go back and look at that, did I miss something? I'm not perfect, I will look. But I was pretty confident at the time that we were on firm footing.

Director Hutchison: I'll put you on the July meeting so you can come in and do a recap of what your opinion is for everybody.

Lorne Dauenhauer: Happy to do that.

Stacy Jones: I think part of where I was going with on the, like when we think about how much money we're spending, Lorne isn't free either, I would just like to point out.

Lorne Dauenhauer: I'm cheaper than a funding evaluation.

Stacy Jones: Yes, cheaper than a funding valuation, but at some point, we're also spending staff resources addressing what is kind of a meaningless question. So if it's cheaper to answer the meaningless question that is intellectually, where I'm coming from, is it cheaper just to ask Milliman to produce that number than to continue to talk about this endlessly.

Lorne Dauenhauer: And it may be, depending on how long it takes them to do the actual valuation, it may be cheaper than having me go over the same road again and again. But they have to come up with a set of assumptions. And that requires a fair amount of work.

Stacy Jones: Yes. The first time they do it, it would be much more expensive than the other times.

Lorne Dauenhauer: Exactly. And again if the result is meaningless.

Trustee MacLeod: And that was an important question you asked. What's the offshoot of having, I mean, the purpose of a funding valuation, as I understand it, is to have an actuarially determined, if you were funding the plan, and that when you have that information, what do you do with it. The logical consequence of what earlier presentations were about were that the value of prefunding the plan potentially in order to build up assets and have things prefunded and better match those kinds of things to the timing of benefits, those things are out of this board's sphere of responsibility. So, whether or not it's meaningful for us to get that information, City Council would need to be interested in wanting to get that information, and I'm not sure they've expressed that interest.

Lorne Dauenhauer: I agree.

Trustee MacLeod: Okay, thank you on that one. Those were good topics. Trustee MacLowry, I was interested in your comments on the ETOB modified disability only discussion, do we put it on as a discussion item for the next board meeting, or to wherever it seems like we've got time available to discuss it further? I'm not sure it's fully fleshed out in my understanding.

Director Hutchison: What I would like to do is share that information with you about what's been done in the past, and potentially have some discussion of what additional information that's not in those reports. And again, this is one of where you're going to be looking at apples and rocks, comparing the two plans. And the statute, let's see, my fingers there are out of the picture. The statute and the administrative rules for workers comp is this big, for FPDR is this big, so you're comparing an awful lot of stuff between the two plans, and so, you know, what's going to be valuable difference and what's going to be not. I want to defer back to studies done in 2005 and 2011 just to show you what other people have come up with, and if you want more information, we can go from there.

Trustee MacLeod: And I would like to state again the idea that it not occur at a board meeting prior to us having a full board to get back to a discussion of whether and how we might, you know, get some action behind what are some expressed frustrations about the true comparability of the PERS versus tier 2 plan benefits as opposed to what the ETOB test provides for administratively, kind of true comparability, and/or other benefit issues on the table without necessarily concluding that this board or a committee is going to take that task on, but rather just discuss and decide how best to, for anyone that has concerns in that area, how best to help that process along while also not accepting that this board or some group of this board is going to tackle that on its own. But I would like that for a future meeting topic, but not until we have a full board.

Trustee MacLowry: I would like that too.

Trustee MacLeod: Okay. Any other topics for the future we want to throw out there now or are we ready to consider moving on to something else today? All right, then, I'm going to adjourn the meeting then and thank everybody for the presentations and comments. I thought it was a very productive meeting.

Trustee Kulp: Thank you.

RESOLUTION NO. 550

WHEREAS, the Board of Trustees of the Fire and Police Disability and Retirement Fund (FPDR) desires to obtain janitorial services for the FPDR Office; and

WHEREAS, a bid process through the City's Request for Proposal (RFP) process was conducted and a janitorial firm was selected by the FPDR Selection Committee; and

WHEREAS, the FPDR Selection Committee selected House of Lopez Campa LLC; and

WHEREAS, House of Lopez Campa LLC has indicated that they are ready, willing and able to provide janitorial services with union labor to the Board of Trustees and FPDR staff; and

WHEREAS, a contract between FPDR and House of Lopez Campa LLC is attached hereto and by this reference made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the FPDR, that the FPDR Director is hereby authorized to select, negotiate, initiate, and enter into a contract with House of Lopez Campa LLC to provide janitorial services for a five (5) year period not to exceed \$125,000.

ADOPTED by the Board of Trustees on this 25th day of July 2023.

Sam Hutchison, FPDR Director

CITY OF PORTLAND
PRICE AGREEMENT FOR
Janitorial Services, Fire and Police Disability and Retirement Bureau

Contract Number:

As authorized by 5.33.210, this Price Agreement ("Contract") is made effective on 8/1/2023 ("Effective Date") by and between the City of Portland ("City"), a municipal corporation of the State of Oregon, and House of Lopez Campa LLC ("Contractor"), a Domestic Limited Liability Company, by and through their duly authorized representatives. This Contract may refer to the City and Contractor individually as a "Party" or jointly as the "Parties."

The initial Term of this Contract shall be from the Effective Date through 8/1/2027, with the City's option to extend for an additional 1 year, for a total not to exceed five years. The total not-to-exceed amount under this Contract for the initial Term shall be \$23,047.64 per calendar year for a total of \$115,238.20. (11/20)

Party contacts and Contractor's and City's Project Manager for this Contract are:

For City of Portland:	For Contractor:
Name: Sam Hutchinson	Name: Martin Lopez
Title: Director	Title: Project Manager
Address: 1800 SW 1 st AVE, Suite 250	Address: 10345 NE Clackamas Apt 6
City, State: Portland, OR 97201	City, State: Portland, OR
e-mail: Sam.Hutchison@portlandoregon.gov	e-mail: martinlopez@hlcgoco.com
Copy to: Office Manager	Copy to:
Jennifer Sprando	
1800 SW 1 st AVE, Suite 250	
Portland, OR 97201	

Scope and Consideration

- (a) Contractor shall perform the Services and provide the Deliverables set forth in the Statement of Work or Task Order/Purchase Order by the due dates specified in the Contract.
- (b) Payments shall be made to Contractor according to the schedule identified in Exhibit A, the Contractor's Price.
- (c) Contract Not Exclusive. The City may, but is not required to, purchase any Goods or Services within the scope of this Contract. Good or Services will be requested on an as-needed basis, and there is no guarantee of a minimum or maximum quantity. This Contract

does not create an exclusive relationship between the City and Contractor, and the City retains the right to purchase the same or similar goods or services from other providers.

Recitals:

WHEREAS, to further its government operations, the City of Portland desires Janitorial Services at the Fire and Police Disability and Retirement (FPDR) Bureau building (the "Project"); and

WHEREAS, the City issued Request for Proposal (RFP) 00002086 for Janitorial Services at the Fire and Police Disability and Retirement (FPDR) building; and

WHEREAS, Contractor, in its Proposal dated May 2, 2023 and submitted in response to the City's RFP represented that it has the knowledge, experience, and expertise in janitorial services; and

WHEREAS, the City selected Contractor based on its Proposal;

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1 DEFINITIONS (11/18)

General Definitions. (11/18) These definitions apply to the entire Contract, subsequent Amendments, and any Change Orders or Task Orders, unless modified in an Amendment. If any definition contains a substantive provision conferring rights and/or obligations upon a Party, then effect shall be given to the substantive provision.

"Acceptance" (11/18) means the Deliverable demonstrates to the City's satisfaction that the Deliverable conforms to and operates according to the Acceptance Criteria, and if required, has successfully completed Acceptance Testing, and for Deliverables not requiring Acceptance Testing that the Deliverable conforms to the Acceptance Criteria or the City's Specifications.

"Acceptance Certificate" (11/18) means a written instrument by which the City notifies Contractor that a Deliverable has been Accepted or Accepted with exceptions, and Acceptance Criteria have been met or waived, in whole or in part.

"Acceptance Criteria" (11/18) means functionality and performance requirements determined by the City, based upon the Specifications, which must be satisfied prior to City's Acceptance of a Deliverable. City and Contractor shall agree upon written Acceptance Criteria.

“Acceptance Date” (11/18) means the date on which the City issues an Acceptance Certificate for the Deliverable(s).

“Acceptance Test” (11/18) means the evaluation and testing method, procedures, or both, that are used to determine whether or not a Deliverable requiring Acceptance Testing performs in accordance with the Acceptance Criteria.

“Affiliates” (11/18) means, for Contractor, any individual, association, partnership, corporation or other entity controlling, controlled by, or under common control. The term “control” means the power to direct or cause the direction of the management and policies of an individual or entity, whether through the ownership of voting securities, by contract, agreement or otherwise.

“Amendment” (12/18) means a written document required to be signed by both Parties when in any way altering the Master Terms and Conditions of the Contract, Contract amount, or substantially altering a Statement of Work.

“Bid” (11/18) means Contractor’s response to the City’s RFP referenced in the recitals above.

“Business Day” (11/18) means a twenty-four hour day, excluding weekends and City holidays, beginning at midnight and ending at midnight twenty-four hours later.

“Calendar Day” (11/18) means a twenty-four hour day, including weekdays, weekends and holidays, beginning at midnight and ending at midnight twenty-four hours later.

“Change Order” (12/18) means a document, agreed and signed by both Parties, that changes an existing Statement of Work or Task Order. Change Orders cannot change Contract amount or Master Terms and Conditions.

“COBID Certified” means an entity certified by the State of Oregon Certification Office for Business Inclusion and Diversity.

“Confidential Information” (06/20) means any information that is disclosed in written, graphic or machine-recognizable form and is marked or labeled at the time of disclosure as being Confidential or its equivalent, or, if the information is in verbal or visual form, it is identified as Confidential or proprietary at the time of disclosure, or a reasonable time thereafter.

Information shall always be considered Confidential Information, whether or not it is marked or identified as such, if it is described by one or more of the following categories: (1) non-public financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Information Protection Act; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by ORS 192.345(2) and the Uniform Trade Secrets Act ORS 646.461 to 646.475; (5) information

which is exempt from disclosure per Oregon Public Records Law; (6) attorney/client privileged communications; (7) information which is exempt per federal laws (including but not limited to copyright, HIPAA); and (8) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems including without limitation, data and information systems, any software code and related materials and processes, Customizations, Configurations, Updates, Upgrades; and any Documentation. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving Party; is already lawfully known to the receiving Party without restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Contract or any other agreement between the Parties or of any applicable protective or similar order, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party, as shown by reasonable written documentation, without breach of this Contract; or is explicitly approved for release by written authorization of the disclosing Party.

"Contract" (11/18) means the Master Terms and Conditions including all exhibits, attachments and schedules and their constituent parts listed in the Order of Precedence or incorporated by reference.

"Deliverable(s)" (11/18) means the Goods, Services, Documentation or documents or tangible work products described in the Statement of Work to be provided to the City by Contractor under this Contract.

"Equipment" (11/18) means any hardware, machinery, device, tool, including add-ons, or peripherals of tangible form together with the necessary supplies for upkeep and maintenance, and other apparatus necessary for the proper implementation and operation of the Goods or Services to be provided to the City by Contractor under this Contract.

"Defect" (11/18) means any error, problem, condition, bug, or other partial or complete inability of a Service, Good or component thereof, to operate in accordance with the applicable Specifications.

"Final Acceptance" (11/18) means the City has determined that all Deliverables have successfully completed Acceptance Testing, which demonstrates to the City's satisfaction that all Deliverables conform to and operate according to the Acceptance Criteria, applicable Documentation, and Contractor's representations; and that for Deliverables not requiring Acceptance Testing, that the Deliverables conform to the Acceptance Criteria or the City's specified requirements.

"Force Majeure Event" (8/20) means, with respect to a Party, any event or circumstance, regardless of whether it was foreseeable, that was not caused by that Party and that prevents a Party from complying with any of its obligations under this Contract, except that a Force

Majeure Event will not include a strike or other labor unrest that affects only one Party, an increase in prices, or a change in law.

“Good(s)” (11/18) means the items provided by Contractor to the City under this Contract, as outlined in the Statement of Work.

“Key Personnel” (11/18) means the specific individuals identified in Section 3.12 to fill Key Positions.

“Key Position” (11/18) means a job position critical to the success of the Contract as identified in Section 3.14 of this Contract.

“Master Terms and Conditions” (11/18) means the body of text from the preamble through the signature page of this Contract.

“Material Breach” (11/18) means any breach of this Contract that causes, caused, or may cause substantial harm to the non-breaching Party or substantially deprives the non-breaching Party of the benefit it reasonably expected under this Contract.

“Personally Identifiable Information (PII)” (06/20) means information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context, as described in the Oregon Consumer Information Protection Act.

“Project” (12/20) means the overall delivery of the Goods and all related Services including any Deliverables any of which Contractor may be providing in whole or in part.

“Proposal” (11/18) means Contractor’s response to the City’s RFP referenced in the recitals above.

“Purchase Order” (12/20) means a purchasing document provided by the City to Contractor containing the specific details of an individual order, including order quantities, unit prices, delivery locations, and an address for invoicing.

“Repair(s)” (11/18) means to fix or replace the Deliverables, or a component thereof, to eliminate Defects to the City’s satisfaction.

“Services” (11/18) means both ordinary and professional services performed by Contractor under this Contract.

“Specifications” (12/20) means the most current cumulative statement of capabilities, functionality, and performance requirements for the Deliverables and their components as set out in the Acceptance Criteria, Change Orders, the Statement of Work, Documentation,

Contractor's representations, Contractor's Proposal and Proposal Clarifications, and the City's Request for Proposals or Invitation to Bid.

"Statement of Work" (SOW) (8/20) means the written detailed specifications of the Goods(s) and Services(s) to be delivered to the City by Contractor, subject to the terms and conditions of this Contract.

"Subcontractor" (11/18) means any person or entity under the control of Contractor, other than an employee of Contractor, utilized by Contractor to perform all or part of this Contract.

"Task Order" (12/20) means any written request or document issued by the City and signed by both Parties for Good(s) or Service(s) to be provided under this Contract. Task Orders shall document the description of Goods and/or Services, price, payment schedule, Project and performance schedule, due dates, milestones and Deliverables.

"Term" (11/18) means the period of time that this Contract is in effect as stated on page one.

"Warranty Period" (12/20) means a period not less than one (1) year from Acceptance of the Goods or Services or Contractor's standard warranty term, whichever is longer.

SECTION 2 ORDER OF PRECEDENCE

2.1 Order of Precedence. (09/17) In the event there is a conflict or ambiguity between the terms and conditions of one portion of this Contract with another portion of this Contract, the conflict or ambiguity will be resolved in accordance with the order of precedence below. This order of precedence designates which portion of the Contract takes precedence over the other for purposes of interpretation. Contractor's hyperlinks contained herein will not supersede or alter the Master Terms and Conditions. For the avoidance of doubt, no other terms and conditions will override the Parties' obligations in the Confidentiality, Indemnification, or Choice of Law provisions in these Master Terms and Conditions. In this Contract the order of precedence shall be:

1. Amendments
2. Exhibit A, Contractor's Price
3. Change Orders
4. Exhibit B, Statement of Work
5. Task Orders
6. Exhibit C, City RFP #00002086 and Addendum #1
7. Exhibit D - Sample Documents: D-1, Sample Status Reports, D-2 Certificate of Acceptance, D-3 Change Order, Exhibit D-4 Task Order

SECTION 3 GENERAL AND ADMINISTRATIVE PROVISIONS

- 3.1 Term. (09/17) This Contract shall begin on the Effective Date and end upon the expiration date set forth on page one of this Contract unless terminated or extended under the applicable Contract provisions.
- 3.2 Point of Contact. (06/20) Contractor shall be the sole point of contact for the City with regard to this Contract and the Deliverables.
- 3.2.1 Written Notifications. (10/18) All notices to, and other written communication between the Parties shall be deemed received five (5) Business Days after being sent by first class mail, or upon receipt when sent by courier services, or by e-mail. All notices and written communications shall be sent to the Parties set forth on page 1 of the Contract, or to such other places as they may designate by like notice from time to time. Each Party shall provide written notice of any changes to the Party's contacts within thirty (30) Calendar Days.
- 3.3 Changes to Contract.
- 3.3.1 Amendment of the Contract. (06/19) Any changes to the provisions of this Contract shall be in the form of an Amendment. No provision of this Contract may be amended unless such Amendment is approved as to form by the City Attorney and executed in writing by authorized representatives of the Parties. If the requirements for Amendment of this Contract as described in this section are not satisfied in full, then such Amendments automatically will be deemed null, void, invalid, non-binding, and of no legal force or effect.
- 3.3.2 Change Orders to a Statement of Work. (12/18) The City and Contractor can agree to make changes, at any time to a Statement of Work or Task Order in the form of a Change Order. Contractor agrees to timely alter the delivery of Goods or Services accordingly. If such changes materially increase or decrease Contractor's obligations, the Parties shall execute an Amendment to the Contract, and if the amount of such adjustment is not calculable as a function of hours or tasks, the Parties shall negotiate in good faith a modified amount.
- 3.4 Delivery. (12/20) Contractor shall ship Goods freight and insurance prepaid; free on board ("FOB") the City's designated location at the time indicated herein. Shipments will be complete and partial shipments will be avoided unless the City agrees in writing to the partial shipment in advance of such a shipment. The risk of loss or damage in transit shall be upon Contractor until the Deliverable is received by the City at the delivery site. Delivery of Goods shall not be deemed to be complete and title to Goods shall not pass to the City until an Acceptance Certificate has been issued by the City.

- 3.4.1 Delivery Schedule. (09/17) Contractor shall use best efforts to deliver Good(s) and/or Services(s) on time, in accordance with the scheduled delivery date as set forth in this Contract or an individual Task Order, Statement of Work or Change Order.
- 3.4.2 Time is of the Essence. (06/19) The Parties agree that time is of the essence as to the delivery of Deliverables and performance of Services under this Contract. By executing this Contract and accepting the Statement of Work, Contractor agrees that the time limits specified in the Statement of Work are reasonable. By accepting late or otherwise inadequate performance of Contractor's obligations, the City will not waive its rights to require timely performance of Contractor's obligations thereafter.
- 3.4.3 Late Delivery. (06/19) In the event that any specified delivery date is not met, Contractor shall be liable for any loss, expense, or damage resulting from delay in delivery or failure to deliver Goods or provide Services which is due to any cause except a Force Majeure Event. In the event of delay due to any such cause, the City may obtain substitute Goods or Services from another source and bill all additional costs directly to Contractor who shall remain financially liable for all additional acquisition costs.
- 3.4.4 Best Efforts. (06/19) Contractor shall use best efforts to minimize any delay in the provision of Goods, Deliverables or performance of Services. If Contractor anticipates any delay that may prevent timely performance of Contractor's obligations under this Contract, Contractor shall promptly notify the City, including the anticipated length of the delay, the cause of the delay, measures proposed or taken to prevent or minimize the delay, and the timetable for implementation of such measures.
- 3.4.5 Cancellation and Reschedule. (08/19) Unless otherwise set forth in Exhibit A, Contractor's Price or Exhibit B, the Statement of Work, the City reserves the right to cancel or reschedule any order without penalty or charge, by giving written notice to Contractor at any time in advance of scheduled ship date.
- 3.4.6 Lead Time. (08/19) Lead time for Goods shall be no longer than the lead time set forth in the Statement of Work.
- 3.5 Access to City Facilities (11/20) Contractor agrees that Contractor's physical or remote access to the City facilities shall be subject to the security interests and health controls necessary to protect public property, City employees and the public. The City shall not be liable for any delays necessary in granting Contractor access to any portion of the facilities or systems.

- 3.6 City Reporting Requirements. (01/7/20) The City is required to track certain types of contract data for reporting purposes. Items which the City must report on may include, but are not limited to, Subcontractor utilization, participation of COBID Certified firms, and Subcontractor/Supplier Payment. The City will enforce all diversity in workforce and COBID Certified subcontracting commitments made by Contractor in its Proposal or ITB.
- 3.7 Payment. (09/17) Payment(s) shall be in accordance with the payment schedule set forth in Exhibit A: Contractor's Price.
- 3.7.1 Payment shall be issued by the City net thirty (30) Calendar Days from receipt of a complete and acceptable invoice from Contractor. Contractor invoices must contain Contractor's name and address; invoice number; date of invoice; Contract number and date; description of Goods and/or Services; quantity, unit price, (where appropriate), and total amount; City-required reporting, if any, and the title and phone number of the person to whom payment is to be sent. The City may stipulate how line items are entered on an invoice to ensure compatibility with the City's accounting and financial systems and to facilitate payment to Contractor.
- 3.7.2 The City makes payments via electronic fund transfers through the Automated Clearing House (ACH) network. To initiate payment of invoices, Contractor shall execute the City's standard ACH Vendor Payment Authorization Agreement. Upon verification of the data provided, the ACH Vendor Payment Authorization Agreement will authorize the City to deposit payment directly into specified Contractor accounts with specified financial institutions. All payments shall be made in United States currency.
- 3.8 Payment of Taxes/Contractor Shall Withhold. (09/17) Contractor shall, at its own expense, timely (a) pay all salaries, wages, and other compensation to its employees; (b) withhold, collect, and pay all applicable federal, state, and local income taxes (domestic or foreign), FICA, Medicare, unemployment insurance and any other taxes or charges in connection with its employees; and (c) provide and pay for workers compensation insurance and any statutory or fringe benefits to employees. Contractor shall be solely responsible for all such obligations for its employees. Contractor shall also ensure that any Subcontractor shall comply with the foregoing obligations for its employees. The City shall have no duty to pay or withhold such obligations.
- 3.9 Records and Audits (06/19)
- 3.9.1 Records Retention. (06/19) Contractor shall maintain current financial records in accordance with Generally Accepted Accounting Principles (GAAP). Contractor

agrees to maintain and retain and retain all financial records, supporting documents, statistical records and all other records pertinent to this Contract during the term of this Contract and for a minimum of six (6) years after the expiration or termination date of this Contract or until the resolution of all audit questions or claims, whichever is longer.

3.9.2 City Audits. (06/19) The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and Goods or Services at any time in the course of the Contract and during the records retention period listed above. Audits shall be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.

3.9.3 Access to Records. (06/19) The City may examine, audit and copy Contractor's books, documents, papers, and records relating to this Contract at any time during the records retention period listed above upon reasonable notice. Copies of applicable records shall be made available upon request.

3.10 Overpayment. (09/17) If an audit discloses that payments to Contractor were in excess of the amount to which Contractor was entitled, then Contractor shall repay the amount of the excess to the City. Under no circumstances will the payment of previous invoices constitute an acceptance of the charges associated with those invoices.

3.11 Independent Contractor. (09/17) Contractor is independent of the City and, accordingly, this Contract is not entered into as a joint venture, partnership, or agency between the Parties. No employment or agency relationship is or is intended to be created between the City and any individual representing Contractor. Employees of Contractor and any authorized Subcontractors shall perform their work under this Contract under Contractor's sole control.

3.12 Personnel.

3.12.1 Key Positions and Personnel. (09/17) For the period of performance until Final Acceptance has been completed, the Parties have identified Key Positions and Key Personnel as set forth in the table below, along with the percentage of their time to be allocated to the City's Project:

Name	Title/Role	% of Time	Company

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3.12.2 Substitution of Key Personnel. (09/17) Contractor shall make no substitutions of Key Personnel unless the substitution is necessitated by law, illness, death, resignation, or termination of employment. Contractor shall notify the City within ten (10) Calendar Days after the occurrence of any of these events.

Any substitutions or replacements of Key Personnel require the written approval of the City. Contractor shall provide the City with the maximum possible period of notice of substitution or replacement of Key Personnel in order to allow for background screening, fingerprint checks, and other investigation as may be required in Section 3.11.

For any proposed substitute or replacement Key Personnel, Contractor shall provide the following information to the City: a detailed explanation of the circumstances necessitating the proposed substitution or replacement, a complete resume for the proposed substitute(s), and any additional information requested by the City. Proposed substitutes or replacements should have qualifications comparable to or better than those of the persons being replaced. No change in Contract prices may occur as a result of substitution or replacement of Key Personnel.

3.13 Termination. (06/19) The following conditions apply to termination of this Contract.

3.13.1 Termination by City. The City, on thirty (30) Calendar Days' written notice to Contractor, may terminate this Contract for any reason in the City's sole discretion. In the event of such termination, the City shall pay to Contractor the portion of the not-to-exceed price attributable to all Deliverables Accepted or Services performed and Accepted through the effective date of the termination.

3.13.2 Mutual Agreement. (09/17) The City and Contractor, by mutual written agreement, may terminate this Contract at any time.

3.13.3 Material Breach. (09/17) Either Party may terminate this Contract in the event of a Material Breach of this Contract by the other. Prior to such termination, however, the Party seeking the termination shall give to the other Party written notice to cure the Material Breach and of the Party's intent to terminate. If the Party has not entirely cured the Material Breach within thirty (30) Calendar Days of the notice, then the Party giving the notice shall have the option to: (a) terminate this Contract by giving a written notice of termination, (b) seek any remedies in this Contract, in law, or at equity, to the extent not otherwise limited by the terms of this Contract, or (c) any combination thereof.

- 3.13.4 Force Majeure. (09/17) Either Party may terminate this Contract due to a Force Majeure Event as set forth in Section 5.13, Force Majeure.
- 3.13.5 Bankruptcy. (09/17) The City may terminate this Contract if Contractor: (a) becomes insolvent, makes a general assignment for the benefit of creditors; (b) suffers or permits the appointment of a receiver for its business or assets; (c) becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, and such proceeding has not been dismissed within a sixty (60) Calendar Day period; or (d) has wound up or liquidated, voluntarily or otherwise.
- 3.13.6 Ownership Upon Termination. In the event of termination all of Contractor's Work Product to date shall be delivered to the City, and it will become and remain property of the City.
- 3.14 Void Assignment. (09/20) In the event that Contractor assigns its obligations under this Contract to a third party in a manner other than as set forth in Section 5.8, Assignment, the City shall have the option to terminate this Contract without any notice or cure period or further obligation to Contractor or the assignee, and promptly receive a refund for fees paid for Goods delivered and/or Services performed by the third party.
- 3.15 Waiver. (09/17) No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach of this Contract. The failure of either Party to insist upon any of its rights under this Contract upon one or more occasions, or to exercise any of its rights, shall not be deemed a waiver of such rights on any subsequent occasions.
- 3.16 Severability. (09/17) Any section of this Contract which is held or declared void, invalid, illegal or otherwise not fully enforceable shall not affect any other provision of this Contract and the remainder of this Contract shall continue to be binding and of full force and effect. This Contract shall be binding upon and inure to the benefit of the City and its successors and assigns.
- 3.17 Business Tax Registration. (09/17) Contractor shall register for a City of Portland business license as required by Chapter 7.02 of the Code of the City of Portland prior to execution of this Contract. Additionally, Contractor shall pay all fees or taxes due under the Business License Law and the Multnomah County Business Income Tax (MCC Chapter 12) during the full term of this Contract. Failure to be in compliance may result in payments due under this Contract to be withheld to satisfy amount due under the Business License Law and the Multnomah County Business Income Tax Law.

- 3.18 EEO Certification. (09/17) Contractor shall be certified as an Equal Employment Opportunity Affirmative Action Employer as prescribed by Chapter 5.33.076 of the Code of the City of Portland and maintain its certification throughout the term of this Contract.
- 3.19 Non-Discrimination in Benefits. (09/17) Throughout the term of this Contract, Contractor shall provide and maintain benefits to its employees with domestic partners equivalent to those provided to employees with spouses as prescribed by Chapter 5.33.077 of the Code of the City of Portland.
- 3.20 Sustainability. (09 /20) Pursuant to the City's Sustainable City Principles, which direct City Bureaus to pursue long-term social equity, environmental quality, and economic vitality through innovative and traditional mechanisms, Contractor is encouraged to incorporate these Principles into its scope of work with the City wherever possible. Therefore, in accordance with the Principles and the City's Sustainable Procurement Policy, it is the policy of the City of Portland to encourage the use of Goods or Services that help to minimize the human health and environmental impacts of City operations. Contractor is encouraged to incorporate environmentally preferable Goods or Services into its work performance wherever possible. "Environmentally preferable" means Goods or Services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the Good or Service.
- 3.21 Packaging. (09/17) All packaging should be minimized to the maximum extent possible without compromising product quality. The City encourages packaging that is reusable, readily recyclable in local recycling programs, is made from recycled materials, and/or is collected by Contractor for reuse/recycling.
- 3.22 Contract Not Exclusive (09/20) The City may, but is not required to, purchase any Goods or Services within the scope of this Contract. Goods or Services will be requested on an as-needed basis, and there is no guarantee of a minimum or maximum quantity. This Contract does not create an exclusive relationship between the City and Contractor, and the City retains the right to purchase the same or similar Goods or Services from other providers. Payment shall be made only for Goods or Services actually ordered, delivered, and accepted, whether greater or less than the original estimated quantities.
- 3.23 News Releases and Public Announcements. (09/17) Contractor shall not use the City seal or other representations of the City in its external advertising, marketing, website, or other promotional efforts, nor shall Contractor issue any news release or public announcements pertaining to this Contract or the Project without the express written approval of the City. Such approval may be withheld in the City's sole discretion.

Contractor shall not use the City seal without specific written permission from the City Auditor.

- 3.24 Rule of Construction/Contract Elements/Headings. (09/17) This Contract has been drafted by the City in the general format by the City as a convenience to the Parties only and shall not, by reason of such action, be construed against the City. Section headings are for ease of reference and convenience only and shall not affect or enter into the interpretation of any portion of this Contract.
- 3.25 Survival. (09/17) All obligations relating to Confidential Information; indemnification; publicity; representations and warranties; remedies; proprietary rights; limitation of liability; and obligations to make payments of amounts that become due under this Contract prior to termination or expiration shall survive the termination or expiration of this Contract and shall, to the extent applicable, remain binding and in full force and effect for the purposes of the ongoing business relationship by and between Contractor and the City.
- 3.26 Permissive Cooperative Procurement. (11//20) Pursuant to ORS 279A.215, as additional consideration for this Contract, Contractor agrees to extend an option to other government entities to purchase any Goods or Services covered under this Contract at the same prices as are specified in Exhibit A: Contractor's Price, and under the same terms and conditions, to all public agencies. Each public agency shall execute its own contract with Contractor and shall have the option to negotiate its own terms and conditions.

SECTION 4 STATUTORY REQUIREMENTS, PUBLIC RECORDS AND CONFIDENTIALITY

- 4.1 Governing Law and Jurisdiction. (01/20) This Contract shall be construed according to the laws of the State of Oregon without reference to the conflict of laws' provisions. To the extent not modified by the terms of this Contract, the Uniform Commercial Code as codified in ORS Chapters 71 and 72 governs Goods under this Contract. Any litigation between the City and Contractor arising under this Contract or out of work performed under this Contract shall occur, if in the state courts, in the Multnomah County Circuit Court, and if in the federal courts, in the United States District Court for the District of Oregon.
- 4.2 Public Records Request. (09/17) Contractor acknowledges that the City of Portland is subject to the Oregon Public Records Act and Federal law. Third persons may claim that the Confidential Information Contractor submitted to the City hereunder may be, by virtue of its possession by the City, a public record and subject to disclosure pursuant to the Oregon Public Records Act. The City's commitments to maintain certain information confidential under this Contract are all subject to the constraints of Oregon and federal

laws. All information submitted by Contractor is public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions for which Contractor requests and meets an exemption from disclosure consistent with federal or Oregon law. Within the limits and discretion allowed by those laws, the City will maintain the confidentiality of information.

4.3 Public Records. (09/17) The City will retain one (1) copy of any public records for the express purposes of complying with State of Oregon and Portland City Code public records and archiving laws.

4.4 Confidentiality.

4.4.1 Contractor's Confidential Information. (08/19) During the term of this Contract, Contractor may disclose to the City, certain Contractor Confidential Information pertaining to Contractor's business. Contractor shall be required to mark Confidential Information CONFIDENTIAL with a restrictive legend or similar marking. If CONFIDENTIAL is not clearly marked, or the Contractor's Confidential Information cannot be marked with a restrictive legend or similar marking or is disclosed either orally or by visual presentation, Contractor shall identify the Confidential Information as confidential at the time of disclosure or within a reasonable time thereafter. This Contract itself shall not be considered Confidential Information. Subject to Section 4.2, the City shall: (1) limit disclosure of Contractor Confidential Information to those directors, employees, contractors and agents of the City who need to know the Contractor Confidential Information in connection with the City Project and who have been informed of confidentiality obligations at least as strict as those contained in this Contract, and (2) exercise reasonable care to protect the confidentiality of the Contractor Confidential Information, at least to the same degree of care as the City employs with respect to protecting its own proprietary and confidential information.

4.4.2 City's Confidential Information. (08/19) Contractor shall treat as confidential any City Confidential Information that has been made known or available to Contractor or that Contractor has received, learned, heard or observed; or to which Contractor has had access. Contractor shall use City Confidential Information exclusively for the City's benefit in the performance of this Contract. Except as may be expressly authorized in writing by the City, in no event shall Contractor publish, use, discuss or cause or permit to be disclosed to any other person such City Confidential Information. Contractor shall (1) limit disclosure of the City Confidential Information to those directors, officers, employees, subcontractors and agents of Contractor who need to know the City Confidential Information in connection with the City Project and who have agreed in writing to confidentiality obligations at least as strict as those contained in this Contract, (2) exercise reasonable care to protect the confidentiality of the City Confidential Information, at least to the same degree of care as Contractor employs with respect to protecting its own proprietary and confidential

information, and (3) return immediately to the City, upon its request, all materials containing City Confidential Information, in whatever form, that are in Contractor's possession or custody or under its control. Contractor is expressly restricted from and shall not use the Intellectual Property Rights of the City without the City's prior written consent.

- 4.4.3 Scope. (09/17) This Contract shall apply to all City Confidential Information previously received, learned, observed, known by or made available to Contractor. Contractor's confidentiality obligations under this Contract shall survive termination or expiration of this Contract.
- 4.4.4 Equitable Relief. (12/18) Contractor acknowledges that unauthorized disclosure of City Confidential Information will result in irreparable harm to the City. In the event of a breach or threatened breach of this Contract, the City may obtain injunctive relief prohibiting the breach, in addition to any other appropriate legal or equitable relief. The Parties agree that, notwithstanding any other section of this Contract, in the event of a breach or a threatened breach of Contract terms related to Confidential Information or Intellectual Property Rights, the non-breaching Party shall be entitled to seek equitable relief to protect its interests, including but not limited to injunctive relief. Nothing stated herein shall be construed to limit any other remedies available to the Parties.
- 4.4.5 Discovery of Documents. (06/19) In the event a court of competent jurisdiction orders the release of Confidential Information submitted by one Party, the other Party will notify the Party whose Confidential Information is being requested to be disclosed of the request. The Party receiving the request shall allow the other Party to participate in the response at its own expense. Each Party will comply with any effective court order.

SECTION 5 CONTRACTOR PERFORMANCE AND WARRANTIES

5.1 General Warranties. (09/17) Contractor makes the following warranties:

- 5.1.1 Capacity. (09/17) Contractor warrants it has the legal authority and capacity to enter into and perform this Contract.
- 5.1.2 Authority to Conduct Business. (08/19) Contractor warrants it is lawfully organized and constituted and duly authorized to operate and do business in all places where it shall be required to do business under this Contract, and that it has obtained or will obtain all necessary licenses and permits required in connection with this Contract.

5.1.3 Disclosure of Litigation. (09/17) Contractor warrants that as of the Effective Date there are no suits, actions, other proceedings, or reasonable anticipation thereof, in any judicial or quasi-judicial forum that will or may adversely affect Contractor's ability to fulfill its obligations under this Contract. Contractor further warrants that it will immediately notify the City in writing if, during the Term of this Contract, Contractor becomes aware of, or has reasonable anticipation of, any lawsuits, actions, or proceedings in any judicial or quasi-judicial forum that involves Contractor or any Subcontractor and that will or may adversely affect Contractor's ability to fulfill its obligations under this Contract.

5.1.4 Conflict of Interest. (09/17) Contractor warrants it has no present interest and shall not acquire any interest that would conflict in any manner with its duties and obligations under this Contract.

5.1.5 Compliance with Applicable Law. (09/17) Contractor warrants it has complied and shall comply with all applicable federal, state, and local laws and regulations of its domicile and wherever performance occurs during the term of this Contract. Contractor warrants it is currently in compliance with all tax laws.

5.1.6 Public Contracts. (09/17) Contractor shall observe all applicable state and local laws pertaining to public contracts. ORS Chapters 279A and 279B require every public contract to contain certain provisions. To the extent applicable, ORS 279B.220, 279B.230 and 279B.235 are incorporated into this Agreement by reference.

5.1.7 Compliance with Civil Rights Act. (09/17) Contractor warrants it is in compliance with Title VI of the Civil Rights Act of 1964 and its corresponding regulations as further described at: <http://www.portlandoregon.gov/bibs/article/446806>

5.1.8 Respectful Workplace Behavior. (09/17) The City is committed to a respectful work environment, free of harassment, discrimination and retaliation and other inappropriate conduct. Every individual has a right to work in a professional atmosphere where all individuals are treated with respect and dignity. The City's HR Rule 2.02 covers all employees of the City as well as contractors, vendors or consultants who provide services to the City of Portland. Contractor warrants its compliance with terms and conditions HR 2.02 as further described at: <https://www.portlandoregon.gov/citycode/27929>

5.2 Grant Funding. (02/18). This Contract is currently not using grant funding. However, in the event that City acquires or uses grant funding to pay for any portion of this Contract, the City and Contractor agree to Amend the Contract to include the federally required terms and conditions. General grant terms may be found at <http://www.portlandoregon.gov/bibs/article/455735>

5.3 Compliance with Non-Discrimination Laws and Regulations.

- 5.3.1 Nondiscrimination. (06/19) Pursuant to all City, State, and federal non-discrimination and civil rights laws, Contractor, with regard to the work performed by it during this Contract, shall not discriminate on the grounds of race, color, national origin, including limited English proficiency, sex, sexual orientation, gender identity, age, religion or non-religion, disability, marital status, family status, or source of income, including in employment practices, the selection and retention of subcontractors, including procurements of materials and leases of equipment.
- 5.3.2 Solicitations for Subcontractors, Including Procurements of Materials and Equipment. (06/19) In all solicitations either by competitive bidding or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this Contract relative to nondiscrimination on the grounds of race, color, national origin, sex, sexual orientation, age, religion, disability, marital status, or family relationships.
- 5.3.3 Sanctions for Noncompliance. (09/17) In the event of Contractor's noncompliance with the nondiscrimination provisions of this Contract, the City shall impose such contract sanctions as it or any state or federal agency may determine to be appropriate, including, but not limited to withholding of payments to Contractor under this Contract until Contractor complies, and/or cancellation, termination, or suspension of this Contract, in whole or in part.
- 5.3.4 ADA Compliance. (12/20) Contractor shall comply with the Americans With Disabilities Act (ADA), including any duty the ADA may impose on City or Contractor as a result of the Goods, Services or activities requested to be provided for City under this Agreement.

Contractor shall document each ADA request for modification to the Goods or Services and Contractor's fulfillment of the request. If Contractor determines that it is unable to promptly fulfill the request for modification under the ADA, Contractor will contact the City contract manager within the same business day, proving reasons why Contractor is unable to fulfill the request for modification and to identify alternate accessibility options that Contractor can perform.

Within 30 Business Days after receipt, City and Contractor shall advise the other Party in writing, and provide the other Party with copies (as applicable) of any notices alleging violation of or noncompliance with the ADA relating to the Agreement, or any governmental or regulatory actions or investigations instituted or

threatened regarding noncompliance with the ADA and relating to the Agreement or the programs, Goods, Services or activities that Contractor is undertaking for City under this Agreement.

5.3.5 Required Reporting. (05/19) If any person or class of persons files a complaint with Contractor alleging discrimination under Title VI of the Civil Rights Act of 1964 (race, color, or national origin, including limited English proficiency), Contractor will notify the City of Portland of the complaint and cooperate with any investigation related to the complaint. Notifications shall be sent to Title VI Program Manager, 421 SW 6th Ave, Suite 500, Portland, Oregon 97204, or title6complaints@portlandoregon.gov.

5.4 Goods and Service(s) Warranties. (08/19) Contractor makes the following warranties:

5.4.1 No Third-Party Conflict or Infringement. (01/19) As of the Effective Date, Contractor warrants the execution and performance of this Contract, shall not contravene the terms of any contracts with third parties or any third-party Intellectual Property Right; and, as of the Effective Date of this Contract, there are no actual or threatened legal actions with respect to the matters in this provision. Contractor agrees to promptly notify the City, in writing, if during the Term of the Contract, a potential third-party conflict or infringement of third-party Intellectual Property Rights arises.

5.4.2 No Encumbrances. (08/19) All Deliverables provided by Contractor under this Contract shall be transferred to the City free and clear of any and all restrictions of transfer or distribution and free and clear of any and all liens, claims, security interests, liabilities and encumbrances of any kind.

5.4.3 Conformance with Specifications. (11/20) Contractor warrants that the Goods and Services shall operate in conformance with the Specifications per the provisions of a Manufacturer's Warranty.

5.4.4 No Material Defects. (08/19) Contractor warrants that the Goods provided shall be free of any defects in design, material and workmanship.

5.4.5 Equipment and Parts. (08/19) Contractor warrants that Equipment and parts will be new, the latest model (or the one that meets the City's Specifications), and be free from Defects in design, material and workmanship. If Contractor proposes to provide refurbished, reclaimed or remanufactured parts or Equipment to the City, Contractor shall request the City's approval in writing in advance of delivery of Goods and the City retains the right to approve or refuse Contractor's use of refurbished, reclaimed, or remanufactured parts. If the City approves the use of refurbished, reclaimed, or remanufactured parts or Equipment, Contractor warrants such Equipment have the same warranty as that of new and current Equipment and are subject to all the same

provisions of this Contract. If Contractor uses refurbished, reclaimed, or remanufactured parts without the prior approval required by the City, Contractor may be required, at the City's sole discretion, to replace such parts and Equipment with new and current manufactured parts and Equipment at Contractor's sole expense.

5.4.6 Planned Obsolescence. (09/20) Contractor warrants that at the time of delivery of Goods, it has no plans in the next twelve (12) months for announcing replacement products for those Goods delivered pursuant to this Contract that would result in reduced support or Warranty Services for the Goods.

5.4.7 Compliance with Law. (08/19) Contractor warrants that the Goods conform to all requirements of applicable law, including all applicable health, safety, privacy, data security and environmental laws and regulations.

5.4.8 Industry Standards. (01/19) Contractor warrants that the Goods are compliant with generally accepted industry standards. Contractor warrants that the Services performed under this Contract will meet the standards of skill and diligence normally employed by persons performing the same or similar services.

5.4.9 Substitution or Modification of Goods at No Charge. (07/20) Substitutions or modifications of Goods may only be provided upon prior written approval by the City. In the event that Contractor substitutes or modifies the Deliverables, Contractor shall ensure that the new or modified Deliverables shall conform in all aspects to the Specifications. Such substitutions or modifications shall in no way degrade the performance or functionality of the Deliverables and shall not result in additional cost to the City.

5.4.10 Warranty Remedies. (08/19) The City may return to Contractor any Defective Goods identified by the City or Contractor, at Contractor's sole risk and expense. Contractor shall provide one of the following remedies for each defective Good in accordance with Contractor's standard return process: (i) repair the defective Good; (ii) replace defective Goods that cannot be repaired; or (iii) make an appropriate credit adjustment or refund the full amount of the price of the Defective Goods.

5.5 Assignment of Manufacturers' Warranties. (01/20) In all cases where Goods are covered by a Manufacturer's Warranty, Contractor will provide the City with all Manufacturer's Warranties. Contractor will assign to the City any Manufacturer's Warranty applicable to any respective Good. Notwithstanding the foregoing, Contractor shall be held responsible by the City for correction to or replacement of the Goods or any of its components during the period of a Manufacturer's Warranty.

- 5.6 No Waiver of Warranties or Representation. (01/19) Delivery of Goods or performance of Services shall not be construed to represent Acceptance nor relieve Contractor from its responsibility under any representation or warranty. If the City makes a payment prior to Final Acceptance, the payment does not grant a waiver of any representation or warranty by Contractor.
- 5.7 No Third Party to Benefit. (09/17) This Contract is entered into for the benefit of the City and Contractor. Except as set forth herein, nothing in this Contract shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the general public or any member thereof, or to authorize anyone not a Party to this Contract to maintain a suit for breach of contract, personal injuries, property damage, or any other relief in law or equity in connection with this Contract.
- 5.8 Assignment. (08/19) Neither Party shall assign, transfer, or delegate all or any part of this Contract, or any interest therein, without the other Party's prior written consent, which shall not be unreasonably withheld. For purposes of this Section, the acquisition, merger, consolidation or change in control of Contractor or any assignment by operation of law shall be considered an assignment of this Contract that requires the City's prior written consent. Notwithstanding the foregoing: (a) in the event that the City's business needs change or the City enters into an agreement with a provider for outsourcing services, Contractor agrees that the City shall have the right to assign this Contract to a successor of all, substantially all, or specified area(s) of the City's business, including an outsourcing provider, upon written notice to the other Party, and (b) Contractor may, without the City's consent, but upon prior written notice to the City, assign its right to payment under this Contract or grant a security interest in such payment to any third party without requiring that the third party be liable for the obligations of Contractor under this Contract. Any attempted assignment or delegation in violation of this Section shall be void.
- 5.9 Notice of Change in Financial Condition. (09/17) Contractor must maintain a financial condition commensurate with the requirements of this Contract. If, during the term of this Contract, Contractor experiences a change in its financial condition which may adversely affect its ability to perform the obligations of this Contract, Contractor shall immediately notify the City in writing. Failure to notify the City of such a change in financial condition is sufficient grounds for terminating this Contract.
- 5.10 Notice of Change in Ownership. (09/17) If, during the term of this Contract, Contractor experiences a change in ownership or control, Contractor shall immediately notify the City in writing. Failure to notify the City of such a change in ownership or control is sufficient grounds for terminating this Contract.

5.11 Subcontractors. (09/20) Contractor shall not subcontract any work under this Contract without the City's prior written consent. Contractor shall be fully responsible for the acts and omissions of its Subcontractors, including any Affiliates, at all levels, and of their agents and employees. Contractor shall ensure that all applicable provisions of this Contract (including those relating to Insurance, Indemnification, and Confidentiality) are included in all of its subcontracts. The City reserves the right to review any agreements between Contractor and its Subcontractors for Goods and Services authorized under this Contract.

All COBID Certified subcontractors/suppliers identified in Contractor's proposals shall be used in their proposed capacity during Contract performance. If Contractor desires to replace any COBID Certified subcontractors/suppliers under this Contract all substitution requests must have approval from the City's Chief Procurement Officer before such substitutions can be made. In no event shall Contractor subcontract any work, assign any rights, or delegate any obligations under this Contract without the City's prior written consent.

5.12 Flow-down Clauses. (01/19) Contractor shall include the following clauses, or substantially similar language, in its subcontracts under this Contract:

Section 4.4, Confidentiality

Section 5.3, Compliance with Non-Discrimination Laws and Regulations

Section 6.1, Hold Harmless and Indemnification

Section 6.2, Insurance

5.13 Force Majeure. (08/20)

5.13.1 If a Force Majeure Event occurs, the Party that is prevented by that Force Majeure Event from performing any one or more obligations under this Agreement (the "Nonperforming Party") will be excused from performing those obligations, on condition that (1) the Nonperforming Party used reasonable efforts to perform those obligations, (2) the Nonperforming Party's inability to perform those obligations is not due to its failure to take reasonable measures to protect itself against the event or circumstance giving rise to the Force Majeure Event, and (3) the Nonperforming Party complies with its obligations under section 5.13.2.

5.13.2 Upon occurrence of a Force Majeure Event, the Nonperforming Party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long that Party expects it to last. Thereafter the Nonperforming Party shall update that information as reasonably necessary. During a Force Majeure Event, the Nonperforming Party shall use reasonable efforts to limit damages to the other Party and to resume its performance under this Contract.

5.14 Ownership of Property. (06/19) All work product produced by the Contractor under this Contract is the exclusive property of the City. "Work Product" includes, but is not limited to: research, reports, computer programs, manuals, drawings, recordings, photographs, artwork and any data or information in any form. The Contractor and the City intend that such Work Product shall be deemed "work made for hire" of which the City shall be deemed the author. If for any reason a Work Product is deemed not to be a "work made for hire," the Contractor hereby irrevocably assigns and transfers to the City all right, title and interest in such Work Product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrines. Contractor shall obtain such interests and execute all documents necessary to fully vest such rights in the City. Contractor waives all rights relating to work product, including any rights arising under 17 USC 106A, or any other rights of authorship, identification or approval, restriction or limitation on use or subsequent modifications. If the Contractor is an architect, the Work Product is the property of the Consultant-Architect, and by execution of this Contract, the Contractor-Architect grants the City an exclusive and irrevocable license to use that Work Product.

Notwithstanding the above, all pre-existing trademarks, services marks, patents, copyrights, trade secrets, and other proprietary rights of Contractor are and will remain the exclusive property of Contractor. Contractor hereby grants to the City a non-exclusive, perpetual, irrevocable license, with the right to sublicense, to disclose, copy, distribute, display, perform, prepare derivative works of and otherwise exploit any pre-existing Intellectual Property Rights incorporated into the Work Product(s).

SECTION 6 INDEMNIFICATION, INSURANCE, AND BONDING

6.1 Hold Harmless and Indemnification. (08/19)

6.1.1 Contractor shall indemnify, defend and hold harmless the City of Portland, its officers, agents, and employees, from all claims, demands, suits, and actions for all losses, damages, liabilities, costs and expenses (including all attorneys' fees and costs), resulting from or arising out of the actions, errors, or omissions of Contractor or its officers, employees, Subcontractors, or agents under this Contract.

6.1.2 Infringement Indemnity. (08/19) Contractor shall indemnify, defend, and hold harmless the City, its directors, officers, employees, and agents from and against any and all claims, demands, suits, and actions for any damages, liabilities, losses, costs, and expenses (including reasonable attorney fees, whether or not at trial and/or on appeal), arising out of or in connection with any actual or alleged misappropriation, violation, or infringement of any proprietary right or Intellectual Property Right of any person whosoever. The City agrees to notify Contractor of the

claim and gives Contractor sole control of the defense of the claim and negotiations for its settlement or compromise.

6.1.3 Contractor shall indemnify, defend, and hold harmless the City against any taxes, premiums, assessments, and other liabilities (including penalties and interest) that the City may be required to pay arising from Goods and Services provided by Contractor under this Contract. The City of Portland, as a municipal corporation of the State of Oregon, is a tax-exempt unit of local government under the laws of the State of Oregon and is not liable for any taxes.

6.2 Insurance. (08/19) Contractor shall not commence work until Contractor has met the insurance requirements in this section and Contractor has provided insurance certificates approved by the City Attorney. Contractor shall acquire insurance issued by insurance companies or financial institutions with an AM Best rating of A- or better and duly licensed, admitted and authorized to do business in the State of Oregon.

6.2.1 Insurance Certificate. (08/19) As evidence of the required insurance coverage, Contractor shall provide compliant insurance certificates, including required endorsements, to the City prior to execution of the Contract. The certificates shall list the City as certificate holder. Contractor shall maintain continuous, uninterrupted coverage for the Term of this Contract and to provide insurance certificates demonstrating the required coverage for the Term of this Contract. Contractor's failure to maintain insurance as required by this Contract constitutes a Material Breach of this Contract. Contractor must notify the City in writing thirty (30) Calendar Days prior to a cancellation, non-renewal, or changes to the insurance policy.

6.2.2 Additional Insureds. (08/19) For commercial general liability coverage, Contractor shall provide City with a blanket additional insured endorsement form that names the City of Portland, Oregon, and its officers, agents and employees, as an additional insured. The additional insured endorsement must be attached to the general liability certificate of insurance.

6.2.3 Insurance Costs. (08/19) Contractor shall be financially responsible for all premiums, deductibles, self-insured retentions, and self-insurance.

6.2.4 Coverage Requirements. (06/23) Contractor shall comply with the following insurance requirements:

6.2.4.1 Commercial General Liability. (08/19) Contractor shall acquire commercial general liability ("CGL") and property damage insurance coverage in an amount

not less than \$2 million per occurrence for damage to property or personal injury arising from Contractor's work under this Contract.

☒ Required and attached

6.2.4.2 General/Automobile Liability. (08/19) Contractor shall acquire automobile liability insurance to cover bodily injury and property damage in an amount not less than \$1 million for each accident. Contractor's insurance must cover damages or injuries arising out Contractor's use of any vehicle.

☒ Required and attached

6.2.4.3 Workers' Compensation. (08/19) Contractor shall comply with Oregon workers' compensation law, ORS Chapter 656, as it may be amended. If Contractor is required by ORS Chapter 656 to carry workers' compensation insurance, Contractor shall acquire workers' compensation coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the City for the entire period during which work is performed under this Contract. Contractor shall acquire workers compensation coverage in an amount not less than \$1 million each accident, \$1 million disease each employee, and \$1 million disease policy limit.

☒ Required and attached

6.2.4.4 Professional Liability. (08/19) Contractor shall acquire insurance to cover damages caused by negligent acts, errors or omissions related to the professional Services, and performance of duties and responsibilities of the Contractor under this Contract in an amount not less than \$1 million per occurrence and aggregate of \$3 million for all claims per occurrence. In lieu of an occurrence-based policy, Contractor may have claims-made policy in an amount not less than \$1,000,000 per claim and \$3,000,000 annual aggregate, if the Contractor acquires an extended reporting period or tail coverage for not less than three (3) years following the termination or expiration of the Contract.

☒ Required and attached

6.2.4.5 Combined Insurance Requirements of Property Owner and Property Manager. (08/19) Contractor shall provide coverage that complies with the combined insurance requirements of the Property Owner (GVI-LC Harrison Square LP) and Property Manager (Libertas Companies, LLC). Coverage shall include following terms and conditions:

- a. Commercial General Liability Insurance on an occurrence basis, naming the Property Owner and Manager as additional insureds, including by not limited to, protections for Premises/Operations Liability, Contractual

Liability, Contractor's Protective, and Products/Completed Operations Liability in the following minimum limits:

- b. Bodily Injury, Property Damage and Personal Injury Liability in the amount of \$1,000,000 each occurrence/\$2,000,000 aggregate with an additional \$5,000,000 excess/umbrella policy. Policies shall also be on a primary and non-contributory basis, including waiver of subrogation in favor of owner and manager. Policies shall provide for a Per Project General Aggregate. Additional Insured must be on ISO CG2010 (11/85) version or equivalent
- c. Comprehensive Auto Liability Insurance including non-owned vehicles with a combined single limit of not less than \$1,000,000 per accident with an additional \$1,000,000 excess/umbrella policy. Policies shall name owner and manager additional insured including waiver of subrogation.
- d. Workers' Compensation insurance as required by law and Employers Liability Insurance with limits of at least \$1,000,000. Policy shall contain waiver of subrogation in favor of owner and manager.
- e. Property insurance for the full replacement value of all property used by Contractor at the project and/or in the performance of the Services hereunder.
- f. All deductibles and self-insured retentions must be shown on the Certificate of Insurance. Carrier must be rated A-VIII or better in accordance with AM Best.

6.2.5 Insurance Requirements for Subcontractors. (08/19) Contractor shall contractually require its Subcontractors to acquire and maintain for the duration of this Contract insurance equal to the minimum coverage limits required above.

6.3 Rolling Estoppel. (09/17) Unless otherwise notified by Contractor, it shall be understood that the City shall have met all its obligations under this Contract. The City will be conclusively deemed to have fulfilled its obligations, unless it receives written notification of a failure to meet such obligations in the next status report, or within ten (10) Business Days following such failure, whichever is sooner, and Contractor identifies the specific failure in that notification. The City's failure to meet obligations must be described in terms of how it has affected the Project schedule or a specific performance requirement of Contractor.

6.3.1 Contractor is estopped from claiming that a situation has arisen that might otherwise justify changes in Project timetable, the standards of performance under this Contract, or the Contract price, if Contractor knew of that problem and failed to provide notification to the City as set forth above or to include it in the applicable status report to the City's project manager.

6.3.2 In the event Contractor identifies a situation that is impairing Contractor's ability to perform for any reason, Contractor's notification should contain Contractor's

suggested solutions to the situation. These suggestions should be in sufficient detail so that the City's Project Manager can make a prompt decision as to the best method of dealing with the problem and continuing the Project in an unimpeded fashion.

6.4 Dispute Resolution. (09/17) Contractor shall cooperate with the City to ensure that all claims and controversies which arise during this Contract will be resolved as expeditiously as possible in accordance with the following resolution procedure:

- 6.4.1 Any dispute between the City and Contractor shall be resolved, if possible by the Project Manager or their designee on behalf of the City and _____ on behalf of Contractor.
- 6.4.2 If the Project Manager or the Project Manager's designee and Contractor are unable to resolve any dispute within three (3) Business Days after notice of such dispute is given by either Party to the other, the matter shall be submitted to [City Bureau Head] on behalf of the City and _____ on behalf of Contractor for resolution, if possible.
- 6.4.3 Should any dispute arise between the Parties concerning this Contract that is not resolved by mutual agreement above, it is agreed that such dispute will be submitted to mandatory mediated negotiation prior to any Party's commencing arbitration or litigation. In such an event, the Parties to this Contract agree to participate in good faith in a non-binding mediation process. The mediator shall be selected by mutual agreement of the Parties, but in the absence of such agreement each Party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. All costs of mediation shall be borne equally by the Parties.
- 6.4.4 Should an equitable solution not result from the foregoing, the City and Contractor shall be free to pursue other remedies allowed under this Contract.
- 6.4.5 Unless ordered by the City to suspend performance of all or any portion of Contractor's Services or delivery of Goods, Contractor shall proceed with the performance of such Services or delivery of Goods without any interruption or delay during the pendency of any of the foregoing dispute resolution procedures. During the pendency of any of the foregoing dispute resolution procedures, the City shall continue to make all payments that are not in dispute while having the right to withhold payments that are in dispute.

6.5 Remedies. (07/20) The remedies provided in this Contract are cumulative and may be exercised concurrently or separately. In the event of any Material Breach by Contractor, which Material Breach shall not have been cured as agreed to between the Parties, the

City shall have the ability to pursue the City's rights at law or equity. The exercise of any one remedy shall not constitute an election of one remedy to the exclusion of any other.

- 6.6 Cost of Cover. (09/17) In the event of termination of this Contract by the City due to a Material Breach by Contractor, then the City may complete the Project itself, by agreement with another contractor, or by a combination thereof. After termination, in the event the cost of completing the Project exceeds the amount the City would have paid Contractor to complete the Project under this Contract, then Contractor shall pay to the City the amount of the reasonable excess.

SECTION 7 ACCEPTANCE AND ACCEPTANCE TESTING

- 7.1 Right to Perform Acceptance Testing. (08/19) Prior to Accepting Goods, Services or Deliverables, the City shall have the right to perform Acceptance Testing, or for Deliverables not requiring Acceptance Testing, the City shall have the right to evaluate the Deliverable(s) to ensure they meet Acceptance Criteria, as may be further defined in Exhibit B - Statement of Work. Contractor shall cooperate with the City in the development of Acceptance Criteria and the Acceptance Test Plan that shall codify and set forth the location, date, and other specifications of the test. Acceptance Testing may occur in one or more phases, depending on the integration of contingent products, scalability, performance tuning or other measurable features or milestones.
- 7.2 Procedure and Timetable. (09/17) Unless otherwise specified,
- 7.2.1 The City shall commence Acceptance Testing within a reasonable amount of time after receipt of a Deliverable.
 - 7.2.2 Contractor shall provide, at no additional cost, reasonable and appropriate support, assistance, and consultation in order to facilitate Acceptance Testing.
 - 7.2.3 City will make all reasonable efforts to complete Acceptance Testing within the time period specified within the Project schedule mutually agreed upon by the Parties in writing. If an Acceptance Test is successful the City shall issue an Acceptance Certificate, a sample of which is attached in Exhibit E-2.
- 7.3 Failure of Acceptance Test. (09/17) The City will notify Contractor if a Deliverable or a portion of a Deliverable fails to pass an Acceptance Test and will specify in reasonable detail the identified failures and possible reasons for failure. After City's notification, Contractor shall correct the failure within ten (10) Business Days and notify the City that the correction has been completed. After Contractor's correction notification, the City shall perform a second Acceptance Test. If the Deliverable or portion of the Deliverable fails to pass the second Acceptance Test, the City shall notify Contractor in writing, and

the City may, in its sole discretion: (a) terminate this Contract with no further liability; (b) require Contractor to replace the Deliverable or defective portion of the Deliverable at no additional cost to the City, (c) require Contractor to make further corrections to prepare for retesting again; (d) Accept the Deliverable at a reduced cost to be negotiated between the Parties; or (e) issue an Acceptance Certificate for an "Acceptance with Exception(s)" in accordance with Sections 7.3.1 and 7.3.2.

7.3.1 If the City issues an Acceptance Certificate for an "Acceptance with Exception(s)" the City will list the exception(s) and the date for Contractor's correction of the Defect(s). If Defect(s) are corrected by the listed date(s) the City agrees to commence further Acceptance Testing of the Deliverable or affected portion(s). If the Deliverable passes the Acceptance Tests, the City will issue an Acceptance Certificate.

7.3.2 If a Deliverable fails a second or subsequent Acceptance Test (or in the event of a single Acceptance Test, the Acceptance Test) in no event shall there be an increase to the original price agreed to by the Parties for the Deliverable.

7.4 City Acceptance of Failure. (05/19) If the City elects to accept a Deliverable or any combination even with the failure(s), then the City may request that Contractor issue a refund to the City in an amount equal to a percentage of the full fee value of the Deliverable that the Parties mutually determine represents the loss of use or functionality.

7.5 Revocation of Acceptance. (01/19) The City shall have the right to revoke "Acceptance with Exception(s)" if the City granted an "Acceptance with Exception(s)" based on Contractor's commitment to correct the Defect within a reasonable period of time, but the Defect has not been so corrected. The City shall also have the right to revoke Acceptance if the City accepted the Deliverable without discovery of the Defect, and the Acceptance was reasonably induced by Contractor's assurances or by the difficulty of discovery of the Defect before Acceptance. Revocation is effective only if it occurs within a reasonable time after the City discovers or should have discovered the reasons for revocation.

7.6 Termination Based on Failure of Acceptance. (09/17) If the Goods or Services fail to pass the Final Acceptance Test(s), the City may terminate this Contract. Contractor shall refund all costs paid for the Goods and Services in U.S. Dollars within fifteen (15) Calendar Days of the date of receipt of notice of termination. The refund shall be in cash and not in the form of future credits from Contractor.

7.7 No Waiver. (05/19) Acceptance shall not relieve Contractor from its responsibility under any warranty. Payment for Deliverables, or any portion thereof, does not constitute Acceptance nor does it constitute a waiver of any warranty applicable to the City.

SECTION 8 TRAVEL

- 8.1 Reimbursement. (09/17) Contractor may be reimbursed, upon advance written approval by authorized City personnel, for certain expenses incurred in connection with personnel assigned to provide services for the City on the City's site. All invoices shall be accompanied by physical or electronic copies of original receipts and any additional supporting documentation that may be appropriate. Reimbursement will be made based on the following guidelines:
- 8.1.1 Commercial Air Travel. (09/17) Commercial air travel reservations are to be arranged based on the lowest coach fare available within a reasonable time frame surrounding the desired arrival or departure time. When possible, air travel arrangements should be reserved at least seven (7) to fourteen (14) Calendar Days in advance. Direct billing for commercial air travel is NOT permitted; however, City may elect to arrange travel reservations on behalf of Contractor personnel. In the event weekend travel is reimbursed, such reimbursement shall be made based on an amount up to and in lieu of any authorized per diem amounts and, if applicable, any other daily expense reimbursement.
- 8.1.2 Rental Cars/Surface Transportation. (09/17) Contractor shall choose the most economical mode of transportation. Except when there is only one person traveling by rented auto, vehicle rental will be reimbursed based on a minimum ratio of one (1) compact auto per two (2) Contractor personnel. Reimbursement for vehicle rental will not be approved for Contractor personnel falling below that ratio. Cost for additional insurance is not reimbursable, nor will reimbursement be permitted for fuel obtained at a vehicle rental agency. City does not assume any liability of any type in connection with rental vehicles reserved or operated by Contractor personnel. Direct billing for rental vehicles is not permitted. If the City's Project Manager chooses to provide a per diem for auto rental, such per diem shall be the same per diem as allowed for City employees. The City will reimburse Contractor for surface transportation such as taxicabs, shuttles, and mass transit, at actual cost when reimbursement requests are accompanied by original receipts.
- 8.1.3 Lodging. (09/17) Contractor shall arrange for lodging. The City will reimburse Contractor per individual for a daily lodging expenses based on GSA per diem rates; such per diem shall be the same per diem as allowed for City employees. GSA lodging allowances can be found at the U.S. General Services Administration website: <http://www.gsa.gov/perdiem>
- 8.1.4 Meal and Incidental Expenses (M&IE). (09/17) The City will provide per diem for each full day (eight hours) worked for Contractor personnel assigned to deliver

Services. The per diem rate will be the same as the one published on the U.S. General Services Administration website, identified as the Meal and Incidental Expenses (M&IE) for the Portland, Oregon area. GSA per diem rates can be found at the U.S. General Services Administration website: <http://www.gsa.gov/perdiem>

- 8.2 Non-reimbursable Expenses. (09/17) Expenses incurred for personal entertainment while traveling on the City business are not reimbursable. Personal entertainment includes items such as in-room movie charges, sightseeing, attendance at sporting events, reading materials, gifts, haircuts, etc. Expenses incurred for travel to and from, and parking at, the departure airport are not reimbursable.

DRAFT

SIGNATURE PAGE
(08/19)

Contractor represents that Contractor has had the opportunity to consult with its own independently selected attorney in the review of this Contract. Neither Party has relied upon any representations or statements made by the other Party that are not specifically set forth in this Contract.

This Contract constitutes the entire agreement between the City and Contractor and supersedes all prior and contemporaneous proposals and oral and written agreements, between the Parties on this subject, and any different or additional terms on a City Purchase Order or Contractor quotation or invoice.

The Parties agree that they may execute this Contract and any Amendments to this Contract, by electronic means, including the use of electronic signatures.

This Contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereby cause this Contract to be executed.

CONTRACTOR

Authorized Signature

Date

Printed Name and Title

Address: _____

Phone: _____

Email: _____

Contract Number: XXXXXXXX

Contract Title: Janitorial Services, Fire and Police Disability and Retirement Bureau

CITY OF PORTLAND SIGNATURES

By: _____ Date: _____
Bureau Director

By: _____ Date: _____
Chief Procurement Officer

By: _____ Date: _____
Elected Official

Approved:

By: _____ Date: _____
Office of City Auditor

Approved as to Form:

By: _____ Date: _____
Office of City Attorney

**Exhibit A
Contractor's Price**

SECTION 1 Pricing.

- 1.1 Most Favorable Prices and Terms: (08/19) Contractor represents that all prices, terms and benefits offered by Contractor under this Contract are equal to or better than the equivalent prices, terms and benefits being offered by Contractor to any other state or local government unit or commercial customer for the same or similar Goods or Services.

Pursuant to the City of Portland's Fair Wage Policy (PCC 3.99), the Fiscal Year 2023-24 minimum hourly wage rate is \$19.17 for services covered by PCC 3.99. The Office of Management and Finance (OMF) provides City bureaus with a yearly minimum hourly wage rate for covered services. This rate is evaluated annually based on the change in the Consumer Price Index, West Region Size Class A for Urban Wage Earners and Clerical Workers (CPI-W), as provided by the City Economist. **The adjustment shall be effective for all contracts on July 1 of each year.**

Janitorial Services M/W/F				
This site will require 1 Lead Supervisor and 2 workers for 5,500 sq ft				
Calendar Year	Average Hourly Janitorial Staff Rate	Daily (hrs/day)	Weekly (days/wk)	Maximum Yearly Cost (\$)
2023	\$19.17	7.0	3	\$20,933.64
2024	\$19.17	7.0	3	\$20,933.64
2025	\$19.17	7.0	3	\$20,933.64
2026	\$19.17	7.0	3	\$20,933.64
2027	\$19.17	7.0	3	\$20,933.64
Total Staffing Costs Over 4 Years:				\$104,668.20

Calendar Year	Costs for Nondurable Supplies
2023	\$2,114.00
2024	\$2,114.00
2025	\$2,114.00
2026	\$2,114.00
2027	\$2,114.00
Total Costs of Supplies: \$10,570.00	

Exhibit B Statement of Work

SECTION 1 SCOPE OF WORK

Contractor shall provide the following Services:

<i>Daily Tasks</i>	Description	Daily (hrs/day)	Weekly (days/wk)
Trash / Recycle Bins	Empty trash, recycle and replace liners	0.5	3
Vacuuming / Spot Clean	All carpeted areas	1.0	3
Dusting / Sanitizing	Countertops, tables, appliances, furniture	0.5	3
Mopping	All hard floors, tile and ceramic flooring	1.0	3
Glass / Fountains / Sinks	Glass, mirrors, sinks, polished surfaces	0.5	3
Kitchen Areas	Sanitize sinks, appliances and fill dispensers	0.5	3
Entrances	Outdoor sweep, trash	0.25	3
Metal Bright Work	Door plates/bars, kickboards, appliances	0.25	3
High/Low Dusting	window sills, corners, equipment, 72", etc.	0.5	3
High Touch Point Disinf.	Telephones, keyboards, door knobs, etc.	1.0	3
Logbook	Lead Coordinator will keep track of work	0.5	3
Journal	Lead Coordinator will report irregularities	0.5	3
Task Total		7.0	

Nondurable Supplies	Description	Unit (\$)	QTY (1 yr)
dish soap	ECOS Dish Soap 128oz Unscented	\$20.00	2
hand soap	ECOS Hand Soap 128 oz unscented	\$30.00	6
paper towel	GP 10" Unbleached Paper Towel 6qty	\$95.00	6
trash can liners	Trash Can liners 33gal 250qty	\$55.00	4
trash can liners	Trash Can liners 10 gal 250qty	\$40.00	4
concentrated cleaner	HydrOxiPro Concentrated Cleaner	\$50.00	4
Microfiber dirty rag cleaning	Detergent, machine use, dryer sheets	\$12.00	52
Disposable gloves	Hazardproof, Multipurpose, 100qty	\$30.00	4

SECTION 2 TASK ORDERS

Work performed under this Contract must be authorized via a written Task Order (sample attached as Exhibit D-4) signed by the City and the Contractor. The Scope of Work, schedule, Deliverables, and compensation for each Project will be defined in the Task Order prior to commencement of the work. Any change to the Scope of Work, schedule, Deliverables, and compensation must be agreed upon by the City and the Contractor in writing as an amendment to the Task Order.

The Chief Procurement Officer shall approve Task Order amendments when amending the Task Order to increase compensation is greater than 25% of the original Task Order amount.

Compensation for each Task Order will be determined through negotiation with the Contractor based on the Scope of Work, the hours the Contractor estimates for performance of the work and the Contractor's hourly rates, subject to a predetermined cap for the maximum compensation for the Task Order. If the work requires fewer hours than those estimated, the Contractor will be paid for the actual hours necessary to complete the Task Order. If the Contractor underestimates the number of hours that are required to perform the work, the negotiated maximum compensation for the Task Order shall be the cap of the compensation to be paid. Compensation may be amended for documentable circumstances not reasonably foreseeable to either Party at the time the Task Order was issued, or for changes to the Scope of Work or Deliverables requested by the City.

The Contractor must be able to start the work per the Task Order no later than seven (7) Calendar Days from the date of the Notice to Proceed as Projects often require work with short deadlines. If the Contractor is unable or unwilling to complete the Project within the required time, it shall so state in writing to the City's Project Manager and shall forfeit the Task Order within 24 hours of being notified.

Task Orders will be negotiated on a rotational basis. In the event the City and a Contractor cannot reach a favorable agreement on the maximum compensation for a specific Task Order, the City shall terminate negotiations and commence negotiations with the next Contractor from the rotational list. Continual difficulties in negotiating compensation caps or repeated unavailability or inability to perform Task Orders may result in removal of a Contractor from the rotation list and cancellation of the Contractor's Contract with the City.

In the event that the Contract maximum amount is reached prior to the end of the Contract term, that Contractor will be removed from the on-call rotation list.

Following the execution of each Task Order, the City's Project Manager will work directly with the Contractor for the duration of the Project unless otherwise noted on the Task Order.

SECTION 3 CONTRACTOR PERSONNEL

The Contractor shall assign the following personnel to do the work in the capacities designated:

ROLE ON PROJECT	NAME

SECTION 4 PROJECT SCHEDULE

The Project shall be completed no later than 8/1/2027.

SECTION 5 PROJECT MANAGEMENT

5.1 Status Reports

Contractor shall summarize activities under this Contract in written weekly/monthly status reports submitted to the City Project Manager. The status reports are due on the first day of the week/month and shall include summaries of all activities and Deliverables completed in the prior week/month. The report shall include a list of any delayed items, a description of the cause of the delay, schedule impact, and a proposed method of resolution. Delayed items shall be carried over onto subsequent reports until resolved.

5.2 Place of Performance

Contractor shall provide City with services at City locations as directed by the City Project Manager. Some portions of the work will be performed at Contractor facilities as agreed with the City Project Manager.

5.3 Project Managers

The City's Project Manager will be Sam Hutchinson. The City may change City's Project Manager from time to time upon written notice to Contractor.

Contact Information: Sam.Hutchison@portlandoregon.gov

The Contractor's Project Manager will be Martin Lopez.

Contact Information: martinlopez@hlcgoco.com

5.4 Acceptance Criteria and Acceptance Test Plan

Acceptance Criteria and the Acceptance Test plan shall be reviewed jointly by the City's Project Manager and Contractor's Project Manager. When agreed, the Acceptance Criteria and Test plan shall be attached and incorporated here in this Statement of Work as Exhibit B-1.


DRAFT

Exhibit C, City RFP # 00002086

DRAFT

**Exhibit D
Sample Forms**

Exhibit D-1: STATUS REPORT

	BUREAU NAME	Bureau Logo
Contractor		Project Title
Contract No.		Report Date
Contract Date		Submitted by:

1. Key Status Indicators:

Description	No	Yes	Explanation
Has scope changed?			
Will target dates slip?			
Are there resource problems?			
Any other issues?			

2. Major Activities Completed For Reporting Week (Key Accomplishments):

Activity	Comment(s)

3. Major Activities Planned For Reporting Week and Not Completed:

Activity	Comment(s)

4. Major Activities Planned For Next Week:

Activity	Comment(s)
----------	------------

5. Status of Key Team Deliverables:

Deliverable	Comment(s)

6. Major Issues Requiring Immediate Attention:

Issue	Resolution

7. Weekly Summary of Performance by Individual

Individual's Name:

Scheduled Activities	complete	incomplete	Comment(s)

Individual's Name:

Scheduled Activities	complete	incomplete	Comment(s)

**Exhibit D-2: FINAL ACCEPTANCE CERTIFICATE
(08/19)**

On this ____ day of _____, 20__, the City certifies Final Acceptance of (name Deliverable(s)), in accordance with Contract No. _____. This Certificate of Acceptance is issued subject to and in accordance with the Contract, all defined terms having the meanings as set forth in the Contract, and without prejudice to any claims which subsequently may arise in connection with Defects in the Deliverables (or combination of Products) described herein.

-- OR --

FINAL ACCEPTANCE CERTIFICATE WITH EXCEPTIONS

On this ____ day of _____, 20__, the City certifies Final Acceptance of (name of Deliverable(s)), in accordance with Contract No. _____. This Certificate of Final Acceptance is issued subject to the following exceptions:

- 1.
- 2.
- 3.

Exceptions must be completed by _____. If Exceptions are not completed by _____, the City may revoke Final Acceptance of the Deliverables.

This Certificate of Final Acceptance is issued subject to and in accordance with the Contract, all defined terms having the meanings as set forth in the Contract, and without prejudice to any claims which subsequently may arise in connection with Defects in the Deliverable(s) described herein.


CITY OF PORTLAND

Authorized Signature Date

Printed Name

Title

Exhibit D-3: CHANGE ORDER

	BUREAU NAME	LOGO

CHANGE ORDER

Contractor		Project Title	
Contract No.		Change Order No.	*SAMPLE*
Contract Date		Change Order Date	

Select	Type	Description and Reason for Change	Modification to:
<input type="checkbox"/>	Time		Project Schedule and/or Contract
<input type="checkbox"/>	Scope or Specifications		Statement of Work Acceptance Test Plan
<input type="checkbox"/>	Deliverables		Statement of Work Acceptance Test Plan
<input type="checkbox"/>	Price		Statement of Work and/or Contract
<input type="checkbox"/>	Terms and Conditions		Request Amendment to Contract
<input type="checkbox"/>	Other		

1. Additional time is necessary and the Project Schedule for the Statement of Work or a specific Deliverable is hereby extended through (DATE) or modified as shown on the attached Project Schedule.
2. Additional work or a change in work or Specifications is necessary. For example, changes to the Statement of Work, Deliverables and/or the Acceptance Test Plan.
3. A price adjustment is necessary for the following Deliverables. These changes will NOT affect the total not-to-exceed value of the Contract. For example, price changes that show the original price and the modified price.

4. An Amendment to the Contract is requested for the following reasons. For example, any change to the total value of the Contract, the term or ending date of the Contract, or the Contract terms and conditions requires an Amendment.

The Change Order is subject to the terms and conditions of the above-referenced Contract.

The rest of the Statement of Work shall remain unchanged and in full force and effect.

CITY OF PORTLAND

CONTRACTOR

Authorized Signature Date

Authorized Signature Date

Printed Name

Printed Name

City Project Manager
Title

Title

Exhibit D-4

Sample Task Order (12/20)

<p>Task Order No. _____</p> <p>DPO No. _____</p> <p>(Leave blank - to be completed by Procurement Services)</p>

The Contract No. _____, between the **City of Portland** and _____ (name of firm)

1) **CITY PROJECT MANAGER** (For this Task Order)

- a. Bureau:
- b. Name:
- c. Phone Number:

2) **PROJECT BACKGROUND:** (Information may be provided in an attachment)

3) **SPECIFIC SERVICES** - This Task Order identifies the following specific Goods/Services/Deliverables to be provided by Contractor:

4) **DELIVERABLES** - The Contractor shall provide the following:

5) **SCHEDULE** - All tasks to be completed by (date)

6) **COMPENSATION** - The maximum compensation relating to these Goods/Services/Deliverables shall not exceed \$ _____ without written authorization by the Project Manager. Pricing shall be as indicated in the Contract.

SAP Cost Object:

(Include the hourly Services rate, Goods unit price or Deliverable price, for this Task Order) The hourly rate for Services delivered under this Task Order is \$ _____ per hour.

7) **Contractor Personnel**

Contractor shall assign the following Key Personnel/personnel to do the work in the capacities designated, including all subcontractors.

Name	Role on project

8) SUBMIT INVOICES TO:

Name _____
Address _____
City, Zip, State _____

Electronic submittal is acceptable.

ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT SHALL REMAIN IN FULL FORCE AND EFFECT. Changes to this Task Order must be made via a Change Order.

In witness hereof, the Parties have duly agreed to this Task Order as of the date written below.

CONTRACTOR:

Name:
Title:
Phone:
Fax:
Email:

CITY OF PORTLAND

(Task Order Project Manager)

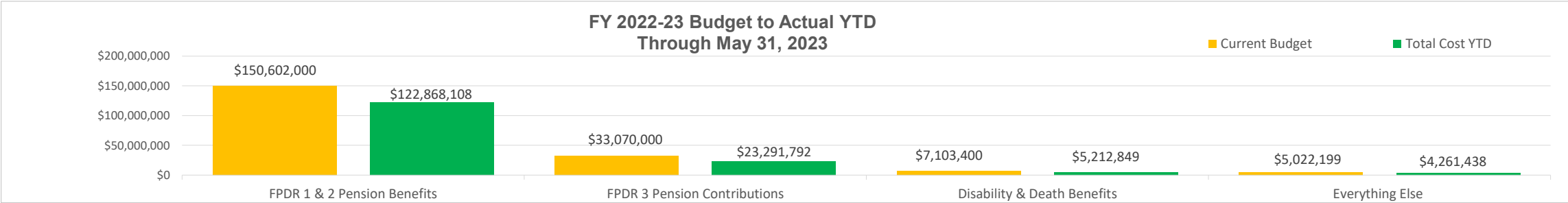
Bureau:

BY: _____

BY: _____

DATE _____

DATE _____



FY 2022-23 Budget to Actual YTD by Month														
Mid Level Classification	Detail Classification	Original Budget	July	August	September	October	November	December	January	February	March	April	May	YTD Total
Revenues	Taxes	\$183,485,461	-\$1,067,906	\$371,844	\$459,979	\$29,173	\$62,588,278	\$106,316,562	\$1,817,301	\$1,279,301	\$4,506,804	\$748,277	\$613,631	\$177,663,245
	Beginning fund balance	\$25,229,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Bond and note proceeds	\$45,000,000	\$28,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,000,000
	Miscellaneous Sources	\$789,100	\$1,003	\$50,381	\$107,207	\$19,998	\$26,887	\$214,310	\$231,411	\$169,115	\$174,453	\$155,053	\$163,577	\$1,313,397
	Interfund Cash Transfer Revenues	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Interagency Revenues	\$393,900	\$631	\$644	\$1,287	\$0	\$644	\$644	\$644	\$644	\$1,287	\$0	\$162,681	\$169,104
Revenues Total		\$255,647,467	\$26,933,728	\$422,869	\$568,474	\$49,171	\$62,615,809	\$106,531,516	\$2,049,356	\$1,449,060	\$4,682,544	\$903,331	\$939,889	\$207,145,746
Personnel	Personnel	\$2,889,429	\$223,478	\$255,433	\$237,382	\$217,953	\$281,153	\$203,305	\$232,059	\$205,592	\$236,653	\$212,035	\$249,588	\$2,554,632
Personnel Total		\$2,889,429	\$223,478	\$255,433	\$237,382	\$217,953	\$281,153	\$203,305	\$232,059	\$205,592	\$236,653	\$212,035	\$249,588	\$2,554,632
Ext. Mat. & Svcs.	Other External Materials & Services	\$805,599	\$38,469	\$49,464	\$80,423	\$64,065,920	-\$63,899,123	\$59,801	\$65,633	\$62,934	\$163,592	\$74,901	\$77,429	\$839,443
	FPDR 1 & 2 Pension Benefits	\$150,602,000	\$12,566	\$12,143,557	\$24,524,115	\$57,979	\$12,298,980	\$12,317,008	\$12,319,742	\$12,295,352	\$24,561,188	\$15,501	\$12,322,120	\$122,868,108
	Disability & Death Benefits	\$7,103,400	\$12,010	\$508,094	\$505,888	\$441,401	\$477,549	\$590,825	\$590,184	\$517,816	\$564,805	\$484,354	\$519,923	\$5,212,849
Ext. Mat. & Svcs. Total		\$158,510,999	\$63,045	\$12,701,116	\$25,110,426	\$64,565,299	-\$51,122,594	\$12,967,634	\$12,975,559	\$12,876,102	\$25,289,584	\$574,755	\$12,919,472	\$128,920,400
Int. Mat. & Svcs.	Other Internal Materials & Services	\$794,570	\$84,672	\$61,921	\$234,912	\$50,856	\$60,877	\$53,313	\$63,767	\$50,813	\$54,587	\$49,965	\$62,292	\$827,974
	FPDR 3 Pension Contributions	\$33,070,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,291,792	\$23,291,792
	Return to Work/Light Duty	\$497,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Int. Mat. & Svcs. Total		\$34,362,170	\$84,672	\$61,921	\$234,912	\$50,856	\$60,877	\$53,313	\$63,767	\$50,813	\$54,587	\$49,965	\$23,354,084	\$24,119,766
Capital Outlay	Capital Outlay	\$35,001	\$0	\$3,380	\$0	\$9,230	\$10,270	\$5,720	\$6,890	\$3,900	\$0	\$0	\$0	\$39,390
Capital Outlay Total		\$35,001	\$0	\$3,380	\$0	\$9,230	\$10,270	\$5,720	\$6,890	\$3,900	\$0	\$0	\$0	\$39,390
Fund Expenses	Contingency	\$13,494,412	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Debt Retirement	\$45,434,207	\$25,000	\$3,356	\$0	\$20,756	\$0	\$0	\$28,299,880	\$0	\$0	\$0	\$69,307	\$28,418,299
	Interfund Cash Transfer Expenses	\$921,249	\$13,309	\$13,309	\$13,309	\$13,309	\$19,075	\$13,309	\$13,309	\$13,309	\$13,309	\$13,309	\$13,309	\$152,165
Fund Expenses Total		\$59,849,868	\$38,309	\$16,665	\$13,309	\$34,065	\$19,075	\$13,309	\$28,313,189	\$13,309	\$13,309	\$13,309	\$82,616	\$28,570,464