



# MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK  
SUITE 1510, PORTLAND BUILDING  
1120 S.W. FIFTH AVENUE  
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS		
GLADYS McCOY •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	DISTRICT 3 •	248-5217
SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

## AGENDA

### MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

#### FOR THE WEEK OF

JULY 19 - 23, 1993

Monday, July 19, 1993 - 7:30 AM - Joint Meeting . . . . .Page 2  
Tuesday, July 20, 1993 - 9:00 AM - Board Briefings. . . . .Page 2  
Tuesday, July 20, 1993 - 1:30 PM - Work Session . . . . .Page 2  
Thursday, July 22, 1993 - 9:30 AM - Regular Meeting . . . . .Page 3

Thursday Meetings of the Multnomah County Board of Commissioners are taped and can be seen at the following times:

Thursday, 10:00 PM, Channel 11 for East and West side subscribers  
Thursday, 10:00 PM, Channel 49 for Columbia Cable (Vancouver) subscribers  
Friday, 6:00 PM, Channel 22 for Paragon Cable (Multnomah East) subscribers  
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222 OR MULTNOMAH COUNTY TDD PHONE 248-5040 FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

Monday, July 19, 1993 - 7:30 AM

Portland Building, 1120 SW Fifth Avenue

14th Floor, Conference Room A

JOINT MEETING

- JM-1 Members of the Multnomah County Board of Commissioners and Multnomah County Library Board Will Meet to Discuss Various Library Issues.
- 

Tuesday, July 20, 1993 - 9:00 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFINGS

- B-1 Request for Policy Direction and Approval of the City of Portland's Fair Contracting and Employment Initiatives. Presented by Lillie Walker, Chip Lazenby and Sam Adams, Executive Assistant to Mayor Katz. 9:00 AM TIME CERTAIN, 30 MINUTES REQUESTED.
- B-2 Update and Discussion of the Implications for the County Regarding the Oregon Health Plan and the Oregon Health Sciences University Collaboration. Presented by Billi Odegaard, Mary Lou Hennrich and Tom Fronk. 9:30 AM TIME CERTAIN, 1 HOUR REQUESTED.
- B-3 Update and Discussion of the Partners Program, Capitating Child and Adolescent Mental Health Services. Presented by Gary Nakao, Gary Smith, James Edmondson, Elleen Deck and Barry Kast. 10:30 TIME CERTAIN, 1 HOUR REQUESTED.
- B-4 Discussion and Request for Policy Direction on the Use of Library General Obligation Bond Proceeds for Temporary Rental Payments. Presented by Dave Boyer, Howard Rankin, Jim Emerson, and Ginnie Cooper. 11:30 AM TIME CERTAIN, 30 MINUTES REQUESTED.
- 

Tuesday, July 20, 1993 - 1:30 PM

Multnomah County Courthouse, Room 602

WORK SESSION

- WS-1 Continued Discussion and Further Review of the Tax Title Audit Report Recommendations. Presented by Betsy Williams. 2 HOURS REQUESTED.
-

Thursday, July 22, 1993 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 In the Matter of the Appointment of Bruce Chalmers to the METROPOLITAN ARTS COMMISSION, Term Expires June 30, 1997
- C-2 In the Matter of the Appointments of Don King and George Erdenberger to the COLUMBIA RIVER GORGE NATIONAL SCENIC AREA BI-STATE ADVISORY COUNCIL

SHERIFF'S OFFICE

- C-3 Ratification of an Intergovernmental Agreement, Contract #800284, Between the Oregon Law Enforcement Data System and the Multnomah County Sheriff's Office, for Use of the State-Wide System Using ORI/ORO260000 (Hansen Building), for the Period July 1, 1993 through June 30, 1995
- C-4 Ratification of an Intergovernmental Agreement, Contract #800294, Between the Oregon Law Enforcement Data System and the Multnomah County Sheriff's Office for Use of the State-Wide System Using ORI/ORO26023C (Jail-Warrants), for the Period July 1, 1993 through June 30, 1995
- C-5 Ratification of an Intergovernmental Agreement, Contract #800304, Between the U.S. Department of Energy, Bonneville Power Administration and Multnomah County, for the Lease of Biddle Butte Property Microwave Radio Station Site, for the Period July 1, 1993 through June 30, 1994

DEPARTMENT OF HEALTH

- C-6 Ratification of Amendment No. 1 to Intergovernmental Revenue Agreement, Contract #201333, Between the Port of Portland and Multnomah County, to Provide Hepatitis B Post-Vaccine Testing and Establish a \$42.00 Per Employee Cost, for the Period Upon Execution through December 1, 1993

REGULAR AGENDA

NON-DEPARTMENTAL

- R-1 RESOLUTION in the Matter of Recognizing and Honoring the Diversity Within Multnomah County

SHERIFF'S OFFICE

- R-2 Budget Modification MCSO #1 Requesting Authorization to Appropriate Funds for Multnomah County's Participation in the Police Activities League (PAL)

## COMMUNITY CORRECTIONS

- R-3 Ratification of an Intergovernmental Agreement, Contract #900254, Between the City of Portland and Multnomah County, Community Corrections, West District Division, for Compensation to Provide Trained Crew Leaders and Alternative Community Service Crews to Work in Areas Maintained by the Bureau of Parks and Recreation, for the Period July 1, 1993 through June 30, 1994
- R-4 Ratification of an Intergovernmental Revenue Agreement, Contract #900264, Between the City of Portland and Multnomah County, Community Corrections Program Development & Evaluation Division, Providing \$100,000 to Support Outpatient Drug Treatment/Acupuncture for Up to 750 Persons Per Year Arrested for Possession of a Controlled Substance, for the Period July 1, 1993 through June 30, 1994
- R-5 Ratification of an Intergovernmental Revenue Agreement, Contract #900294, Between the City of Portland and Multnomah County, Community Corrections Program Development & Evaluation Division, Providing \$100,032 to Participate in County's Contract with the Council for Prostitution Alternatives for Services for Women Leaving Prostitution, for the Period July 1, 1993 through June 30, 1994

## DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-6 Second Reading and Possible Adoption of an ORDINANCE Amending MCC 8.10 Relating to Animal Control, Clarifying the Status of an Infraction Based on Non-Payment of the Potentially Dangerous Dog (PDD) Annual License Fee, Raising the Fee and Creating Separate Fees Based on the Level of Classification of the Dog
- R-7 Ratification of an Intergovernmental Agreement, Contract #302363, Between Multnomah County and the City of Portland, to Establish the Technical Requirements and Relationships Concerning the 800 MHZ Simulcast Trunked Radio System

## DEPARTMENT OF SOCIAL SERVICES

- R-8 Request for Approval of a Notice of Intent to Apply for New Grant Funding from the Office of Juvenile Justice and Delinquency Prevention for Law Related Education in Juvenile Justice Setting, in the Amount of \$210,000
- R-9 Request for Approval of a Notice of Intent to Apply for New Grant Funding from the Office of Juvenile Justice and Delinquency Prevention for Accountability-Based Community (ABC) Intervention Program, in the Amount of \$100,000

## PUBLIC COMMENT

- R-10 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

TANYA COLLIER  
Multnomah County Commissioner  
District 3



1120 SW Fifth St., Suite 1500  
Portland, OR 97204  
(503) 248-5217

## MEMORANDUM

TO: Acting Chair Hank Miggins  
Commissioner Dan Saltzman  
Commissioner Gary Hansen  
Commissioner Sharron Kelley  
Board Clerks

FROM: Commissioner Tanya Collier *Tanya Collier*

DATE: May 17, 1993

SUBJECT: Absence from Board of Commissioners Meetings in July

Looking ahead to the month of July, I have identified several days in which I will be absent from the Board meetings.

The days in which I shall be absent are:

Friday, July 9th, 1993

Monday, July, 12, 1993

Wednesday, July 21 - Friday, July 30, 1993

BOARD OF  
COUNTY COMMISSIONERS  
1993 MAY 17 PM 3:58  
MULTNOMAH COUNTY  
OREGON

MEETING DATE: JUL 20 1993

AGENDA NO: B-1

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: \_\_\_\_\_

BOARD BRIEFING Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING: Date Requested: July 20, 1993

Amount of Time Needed: 30 Minutes

DEPARTMENT: MSS DIVISION: Purchasing, Contracts, Central Stores

CONTACT: Lillie Walker TELEPHONE #: 248-5111

BLDG/ROOM #: \_\_\_\_\_

PERSON(S) MAKING PRESENTATION: Lillie Walker/Chip Lazenby/Sam Adams, Executive Assistant to Mayor Vera Katz

**ACTION REQUESTED:**

☐ INFORMATIONAL ONLY ☒ POLICY DIRECTION ☒ APPROVAL ☐ OTHER

**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Briefing to the Board of County Commissioners on the City of Portland's Fair Contracting and Employment Initiatives. Approval of Multnomah County cooperation and participation.

**SIGNATURE REQUIRED:**

ELECTED OFFICIAL: \_\_\_\_\_

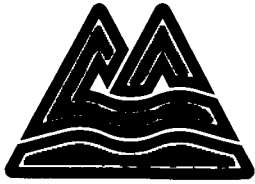
OR

DEPARTMENT MANAGER: Lillie M. Walker

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

BOARD OF  
COUNTY COMMISSIONERS  
1993 JUL 13 PM 12:33  
MULTNOMAH COUNTY  
OREGON



# MULTNOMAH COUNTY OREGON

GLADYS MCCOY  
COUNTY CHAIR

EMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
PLANNING & BUDGET  
RISK MANAGEMENT

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PORTLAND BUILDING  
1120 S.W. FIFTH, 14TH FLOOR  
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PURCHASING, CONTRACTS  
& CENTRAL STORES

(503) 248-5111

2505 S.E. 11TH, 1ST FLOOR  
PORTLAND, OREGON 97202

## MEMORANDUM

TO: Board of County Commissioners  
Henry C. Miggins, Acting County Chair  
Tanya Collier  
Gary Hansen  
Sharron Kelley  
Dan Saltzman

FROM: *Lillie Walker* Lillie Walker, Director  
Purchasing, Contracts & Central Stores

DATE: July 12, 1993

RE: BRIEFING - CITY OF PORTLAND'S FAIR CONTRACTING AND EMPLOYMENT  
INITIATIVE

On June 30, the Mayor's Office presented the referenced report which was unanimously adopted by the City Council. The report outlines a comprehensive MBE and WBE contracting and employment program. Key proposal elements include:

1. MBE and WBE contracting targets with a quarterly reports to Council regarding target attainment.
2. Activities to increase MBE and WBE contracting opportunities.
3. Business and financial assistance to existing and emerging MBE and WBE contractors.
4. Expansion of minority and women employment opportunities with City contractors.
5. Investigate and document discrimination (Disparity Study).
6. Increase the number of eligible certified MBE and WBE contractors.
7. Increase internal coordination of local MBE and WBE issues.

Details of the above program and County effort are attached.

# **INTRODUCTION**

## **FAIR CONTRACTING AND EMPLOYMENT INITIATIVE**

The Council has recognized a critical need to set in motion a determined effort to help the City's economically distressed groups reclaim ground they lost during more than a decade of neglect of America's inner cities. Toward that end, I am recommending the attached package of reforms to begin to improve the City's minority contracting record and expand minority employment opportunities with the City's contractors. It is a step the Council has identified as one of its highest priorities.

This package of initiatives, taken as a whole, is intended to provide a policy framework for efforts that already are under way and other initiatives proposed for completion in the near future. It constitutes a set of administrative actions and new ordinances aimed at leveling the playing field in the competition for City contract dollars for those who have been economically impacted by the effects of discrimination and economic neglect. It is also intended to promote equal employment opportunities for those who seek work with the City's contractors.

It is our hope that this package, when approved and fully implemented, will provide clear policy direction to City bureaus and contractors regarding minority and female contractor issues. The reforms represent an integral part of a plan to make the City government more effective and more responsive to the needs of all our citizens. It does so by enhancing City government's role as a catalyst for action, by holding bureau managers accountable for achieving explicitly stated results, and by promoting a collaborative effort with community-based organizations and other local government agencies in the region.

The growing gap between the "haves" and "have-nots" in our society is as painfully evident in Portland as it is elsewhere in the country and shows itself in the widening disparity of incomes among many of our neighborhoods. City government can and must do a better job of addressing this problem. There is strong evidence that in recent years minorities and women, as groups, have lost much of what they gained in an earlier period of affirmative action efforts and have suffered disproportionately to their numbers from the policies of neglect.

African Americans, in particular, have complained that they have been shut out of business and employment opportunities in the local construction industry. A recent study by the City Attorney's Office supports their concerns. The study analyzed the employment patterns of all contractors awarded major City of Portland public works contracts in 1992.



The workforce records examined showed that of the 1535 people employed by the 50 companies receiving contracts of \$50,000 or more in value, only 4.8% were minorities and less than 1% African-Americans. That compares to a minority population in Portland in the neighborhood of 15%, and to a qualified minority construction workforce in the region ranging from an estimated 6% to 20%, depending on the craft or trade. Moreover, 54% of the minorities who were employed worked as laborers, which are among the lowest paid construction jobs.

These findings, while far from an indictment of any specific company, constitute serious evidence, says Deputy City Attorney Madelyn Wessel, that a systemic problem may exist. The study demonstrates that discrimination prohibited under federal, state and local laws may be prevalent in the industry and that concerns about equal employment opportunity are legitimate.

On the business contracting side, as you are aware, the opportunities for minority businesses have declined significantly since the 1989 U.S. Supreme Court decision in City of Richmond v. J.A. Croson Co., which held that state and local set-aside programs must meet a "strict scrutiny" test in the courts, must serve compelling government interests, and must be narrowly tailored to serve those interests.

Minority-owned businesses have lost ground since Croson in obtaining valuable subcontracting work through the prime bidders on regional construction contracts. Most state and local programs aimed at assisting minority and women-owned businesses have been stopped in their tracks or thrown substantially off course because responding to the Croson requirements has been so difficult and expensive.

Ineffectual or inadequate government actions and programs have failed to address the economic pain of the neediest groups among us, despite the best of intentions and an array of "good faith efforts" programs. To ignore for too long the economic plight of these groups puts at risk our long-term survival as a diverse and functioning community.

As a community, we must find a better answer.

It is our hope that you will agree that the "Fair Contracting and Employment Initiative" discussion draft is an important first step in a four-year effort to find better answers. The proposed initiatives are clustered around seven sections targeting major issues which have been identified as the critical needs or barriers to equal participation in contracting and employment.

## Section One

### SET MBE AND WBE CONTRACTING TARGETS

This section establishes broad City-wide contracting goals coupled with quarterly monitoring systems. It is clear that such targets cannot be established as fixed requirements in individual City contracts (i.e. "set-asides") in the absence of a Croson disparity study. (This is one of the reasons I recommend moving forward with such a study in Section Five, below.) Nevertheless, I believe that establishing specific numerical standards will provide a benchmark against which to measure the overall success or failure of the new City programs, as well as measure the performance of individual City bureaus. These particular numerical targets were selected to be somewhat more ambitious than current federal targets as a means of setting a high level of expectations. I also believe it is important to articulate goals separately for minority business enterprises (MBE) and women business enterprises (WBE), unlike the federal government which, during the Reagan/Bush administrations, merged the two through a disadvantaged business enterprise (DBE) standard. This will enable the City to specifically identify the impact of its programs on these different groups of entrepreneurs whose needs and experiences are not always the same. (For the sake of comparison, in 1991, the City's figures translated to 5.6% MBE and 4.8% WBE in construction, 6.8% MBE and 5% WBE for professional services).

These goals must, of course, be reviewed by the Council on a yearly basis in light of actual performance to determine whether they are appropriate. The quarterly reports on the progress being made by the City as a whole and by individual City bureaus in reaching these targets will provide the Council with hard empirical data for measuring success and will provide Council with an indispensable diagnostic tool for determining what further efforts need to be made to improve performance.

#### **A. Council Establishes Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) Contracting Targets.**

1. Council approves the following targets for contracting and/or subcontracting with certified MBE and WBE contractors:

<u>MBE</u>	9%
<u>WBE</u>	5%
<u>TOTAL:</u>	14%

2. Only contractors and subcontractors certified by the State of Oregon Office of Minority, Women and Emerging Small Business (OMWESB) or who have applied for state certification may be counted towards meeting the city's MBE and WBE contracting targets established by Council.
3. Council will review appropriateness of established MBE/WBE contracting targets no later than June 30, 1994.

*See attachment A for copy of MBE and WBE contracting targets for Portland Development Commission.*

**B. Council Requests Quarterly Report on MBE/WBE City Contracting Targets**

1. The Auditor's Office, working with the Bureau of Purchases and Stores, will produce a quarterly report on the status of MBE/WBE contracting targets. The reports will include data indicating the number of contracts, the types of contracts and the value of contracts awarded to certified MBE and WBE contractors.
2. In her annual proposed budget, the Mayor will report the status of city-wide and individual bureau efforts to achieve the city's established MBE and WBE contracting targets.

## Section Two

# INCREASE MBE/WBE CONTRACTING OPPORTUNITIES

The initiatives in this section focus on the need to increase MBE and WBE contracting opportunities. As our work on the impediments to full and fair MBE/WBE contracting participation has made clear, there is a lot more the City and other regional governments can do to open our doors to the full community of which we are a part. The steps I am proposing here make it clear that business as usual no longer will be tolerated: The City's resources - which, after all, come from taxes that fall on all citizens regardless of gender, race or ethnic origins — must be dispensed in an evenhanded way for the benefit of all citizens and in a way designed to give all potential contractors a fair opportunity. All City bureaus will be required to address this issue in concrete ways and not simply give lip service to it. Prime contractors will be required to document their outreach efforts to the minority community if they wish to continue doing business with the City.

### **A. Council Directs City Bureaus to Expand and Document PTE Contract Solicitation Outreach to Certified MBE and WBE Contractors.**

1. At the Mayor's request, the City Attorney's Office developed amendments to the Portland City Code (PCC) Chapter 5.68 that require Professional, Technical and Expert (PTE) contracts to include at least one bid solicitation to MBE and WBE certified firm.

NOTE: City Council approved this ordinance (#166419) on April 7, 1993, effective May 8, 1993.

*See attachment B for copy of revised PTE ordinance and copy of contract cover sheet.*

### **B. Council Requires City's Prime Contractors to Expand and Document Outreach to MBE and WBE Contractors and Subcontractors.**

1. Working with the City's major contracting bureaus, the City Attorney's Office will revise PCC 3.100.080 - .089 to require the city's large potential prime contractors to take more comprehensive steps and to provide more systematic documentation of their outreach towards MBE and WBE contractors.

The current "Minority/Female Purchasing Program" outlined in PCC 3.100.080 - .089 will be replaced with a "good faith efforts" program modelled after Metro's recently enacted program.

The City Attorney's Office will submit their proposed PCC revisions to Council for consideration no later than August 31, 1993.

*See attachment C for copy of PCC 3.100.080 - .089 and attachment D for copy of METRO's "good faith efforts" program.*

**C. Council Authorizes Study to Create a Contracting Pilot Project in the North/Northeast Enterprise Zone**

1. The Council directs the City Attorney's Office to develop policy guidelines that would create a pilot project in the N/NE Enterprise Zone to provide bidding advantages to eligible contractors based in that area. The purpose of the project will be to provide better opportunities to current businesses who have demonstrated a commitment to Northeast Portland.

Criteria to be examined will include location of the work, the size of the city contract, the location of the contractor's business, the EEO status of the contractor's workforce, and other criteria.

The Oregon Legislature has provided for affirmative action innovations (ORS 279.059) and granted authority to local jurisdictions to limit bidding for selected affirmative action purposes.

The City Attorney's Office will submit a set of proposed policy guidelines and a proposed program description to Council for consideration no later than November 1, 1993.

*See attachment E for copy of ORS 279.059 which grants bidding specifications for affirmative action purposes.*

**D. Council Establishes City Policy to Support Special Outreach to Minority Community on Individual Projects**

1. The City Attorney's Office, working with the appropriate city bureaus, will draft a policy to require an examination of each significant public works project in the inner North/Northeast area to determine whether special community needs are present. Some of these projects may allow for special provisions for mandatory inclusion of MBE and/or WBE contractors when compelling need exists.

The City Attorney's Office will submit their proposed policy guidelines and program description to Council for consideration no later than November 1, 1993.

### Section Three

## PROVIDE BUSINESS AND FINANCIAL ASSISTANCE TO EXISTING AND EMERGING MBE/WBE CONTRACTORS

This section addresses the technical and financial impediments to fuller participation by new and struggling businesses in the City. It is my hope that these initiatives will address key issues MBE/WBE contractors have identified as impediments in competing for City business. The initiatives making up this group also recognize the need for intergovernmental cooperation in funding programs to address the financial and technical needs of MBEs and WBEs, so that government resources are invested coherently, wisely, and economically. It obviously makes no more sense for different governments in the same region to separately fund and administer parallel programs than to expect the local MBE/WBE community to attempt to cope with competing and confusing systems. I envision the start of a functional intergovernmental system of "one stop shopping" for MBEs and WBEs seeking technical and financial assistance. I believe that the sooner we are able to establish streamlined programs delivering such assistance, the sooner MBEs and WBEs will have the ability to enter confidently into the economic mainstream.

### A. Council Authorizes Creation of a Loan Program to Assist Contractors

1. The Portland Development Commission will create a loan guarantee program to be implemented in conjunction with local commercial banks and Multnomah County. The program will entail commercial bank financing of city and county contracts for materials, services and construction, underwritten by a 75% loan guarantee from the city and the county. The city's guarantee would be supported by existing budgeted contract dollars of the city bureau letting the specific contract. The council further endorses the transfer of approximately \$118,700 in residual funds from the Model Cities Economic Development Trust Fund to the Portland Development Commission, which will act as administrator of the program. The Council further directs all city bureaus to participate in this program.

*See attachment F for draft copy of "Opportunity Loan Fund," and authorizing memo.*

**B. Council Seeks Funding Partners to Establish Program to Enhance the Bonding Capacity of MBE and WBE Contractors**

1. The Mayor is authorized to negotiate with other local governments, including the Port of Portland, Tri-Met, Multnomah County and others, to establish a multi-jurisdictional coordinated program to improve the bonding capacity of existing and emerging MBE and WBE contractors.

The Mayor will submit to Council for consideration a proposed inter-governmental agreement establishing a multi-jurisdictional coordinated bonding assistance program.

*See attachment G for draft copy of "Advocacy Surety Support program for Minority and Women Subcontractors" proposed by the Port of Portland.*

**C. Council Seeks Funding Partners to Establish Program to Provide Technical Assistance to MBE and WBE Contractors, and Potential Contractors.**

1. The Mayor is authorized to negotiate with other local governments, including the Port of Portland, Tri-Met, Multnomah County and others, to establish a multi-jurisdictional program to provide coordinated technical business assistance, including Mentor-Protege programs, to current or potential MBE and WBE contractors.

The Mayor will submit to Council for consideration a proposed inter-governmental agreement establishing a multi-jurisdictional coordinated bonding assistance program.

*See attachment H for draft copy of "Mentor-Protege Program" Proposed By Association of General Contractors.*

2. The Bureau of Purchases and Stores, working with the City Attorney's Office, will develop technical training on the city's bidding, contracting and purchasing procedures and offer such training in settings accessible to the MBE/WBE community on a regular basis.



## Section Four

# EXPAND MINORITY/WOMEN EMPLOYMENT OPPORTUNITIES WITH CITY CONTRACTORS

The initiatives in this section stem from a dual premise: First, we have an obligation to use the market power we have available to us through the disbursement of the community's tax dollars to foster equal employment opportunities ("EEO") in the private sector through careful monitoring of those companies receiving the City's business. Second, the development of the City's internal workforce should be utilized, along with broader community training and apprenticeship programs, to extend the opportunities for jobs to a broader segment of the population.

These dual objectives are embodied in the initiatives aimed at better "EEO" monitoring of the City's contractors and vendors, in the proposed modifications to the existing Public Works First Source Program, and in the proposal that the City participate in proposed regional apprenticeship and training programs.

### **A. Council Requires City's Contractors and Vendors to Make Enhanced Commitments to Equal Employment Opportunity**

1. The City Attorney's Office will prepare revisions to PCC 3.100.030 - .040 to provide for more effective EEO monitoring of city contractors and vendors.

The City Attorney's Office will submit their proposed code revisions to Council for consideration no later than August 31, 1993.

*See attachment 1 for a copy of the PCC 3.100.030 - .040.*

2. The Bureau of Purchases and Stores has been provided with 1.5 FTEs for FY 93-94 to provide for additional contract compliance. One FTE staffer will monitor the ongoing EEO status of city contractors and vendors. The second part-time staffer will provide oversight for the city's amended PTE contracting program.
3. Within the next fiscal year, the Bureau of Purchases and Stores will develop a database, accessible to all city bureaus, which tracks an individual contractor's compliance with the city's EEO ordinance requirements.

**B. Council Authorizes Six-month Extension of Modified Public Works First Source Agreement with CH2A, Inc.**

1. Public Works First Source Program contracts and specifications have been revised by the City Attorney's Office. The definition of "existing employee" has been changed from 400 hours to 800 hours or more over a nine-month period, mechanisms for exempting contractors from union hall requirements where appropriate developed, and mechanisms for enhanced monitoring by the Bureau of Purchases and Stores and City Attorney's Office initiated. Council endorses the revisions to the Public Works First Source Program's contracts and specifications.

*See attachment J for a copy of April 15, 1993 memo from Madelyn Wessel, Deputy City Attorney, recommending changes to First Source Construction Hiring Program documents.*

2. Council authorizes a six-month extension of a modified contract with CH2A, Inc. In six months, the Public Works First Source Program agent's contract will be put out for competitive bid. Interns already placed with bureaus will continue their assignments. New interns will be placed only at the request of bureaus specifically desiring such placements.

The Mayor's Office will submit Public Works First Source contract bid specifications for Council consideration no later than November 15, 1993.

*See attachment K for copies of correspondence detailing status and outcomes of Public Works First Source Program.*

**C. Council Authorizes Development of New Intergovernmental Community-Based Pre-Apprenticeship and Apprenticeship Programs.**

1. The city will explore means of linking its Public Works First Source Program to apprenticeship efforts in the community, with the aim of implementing such a linkage by January 1, 1994.
2. The Portland Development Commission, Department of Economic Development, will coordinate the city's involvement in new pre-apprenticeship and apprenticeship training programs and present recommendations to the Council on city involvement with such programs.
3. The City Attorney's Office and the Bureau of Purchases and Stores will work to ensure that city construction contracts support and enforce any programs approved by Council, (i.e. through development of contract terms requiring contractors to register as certified training agents with the State of Oregon Bureau of Labor and Industries and mandating utilization of apprentices on city-funded projects.)

**D. Council Authorizes Development of Internship Program Accessible to all City Bureaus.**

1. The Bureau of Personnel, working with the Mayor's Office and the Portland Development Commission, Department of Economic Development, and city bureaus, will develop a comprehensive internship program targeting minorities residing in the city, using the existing resources of the city's JobNet program.

*See attachment L for a copy of correspondence detailing status and outcomes of Public Works First Source Internship Program.*

**E. Utilize City Inspectors to Monitor City Contracting and Employment Equity Programs.**

1. CH2A and the City Attorney's Office have worked with Bureau of Environmental Services inspectors to encourage broader monitoring of the Public Works First Source Program requirements. Council directs other bureaus employing inspectors who monitor construction projects, such as Transportation and Water, to work with CH2A and the City Attorney's Office to train inspectors to monitor First Source and similar programs.

## Section Five

# INVESTIGATE AND DOCUMENT DISCRIMINATION

The initiatives in this section recognize what we may wish away but cannot ignore -- that racism and sexism are real issues affecting many in our community. Such entrenched attitudes have a devastating impact on individual lives. As has been shown through the City's experience with the costly Public Works First Source Program, resistance to including minorities and women can also negatively affect the very programs we fund to facilitate positive change. I believe we must develop the legal tools to support the many positive actions included in this proposed package of reforms. I therefore propose that the City initiate the start-up funding for a regional Croson disparity study which will provide the statistical underpinning required to establish enforceable goals. As the City Attorney's Office has put it "what we can require without a Croson study are actions; what we can require with a Croson study are results."

I also believe it important to specifically endorse the concept that the City Attorney's Office may occasionally find it appropriate to investigate cases of potential discrimination affecting City programs aimed at minorities and women.

Finally, industry trade associations and labor groups will be encouraged to work cooperatively with the City in responding to questions of potential discrimination or other barriers to full participation of minorities and women in the regional construction industry.

### A. Council Recognizes the Need to Document the Status of Minorities and Women Participating in Public Contracting.

1. The Council endorses a regional approach to completing a Croson study and authorizes the expenditure of \$175,000 from the FY 1993-94 Approved Budget "Special Opportunity Programs" Special Appropriation line item to provide "seed money" to complete such a regional study.
2. The Council authorizes the Mayor to seek funding partners to complete a regional Croson study. Funding partners may include, but are not limited to, Clackamas County, Housing Authority of Portland, Metro, Metro E-R Commission, Multnomah County, Port of Portland, Portland Community College, Portland Public Schools, Oregon Department of Transportation, Oregon Department of General Services, Oregon State System of Higher Education, Tri-Met and Washington County.

The Mayor will report to Council the results of her partnering efforts on an ongoing basis.

*See attachment M for a copy of draft letter from Mayor Katz to potential regional funding partners. See attachment N for copy of final report dated December 4, 1992 "Multi-Jurisdictional Disparity/Predicate Feasibility Study." See attachment O for copy of memo from Wendy Robinson, Oregon Assistant Attorney General, on Croson dated October 27, 1992.*

3. Council authorizes the City Attorney's Office to investigate cases of potential discrimination affecting city programs such as the First Source Public Works Program, or other programs designed to assist minorities and women. In the event that legal proceedings should be initiated in order to protect rights secured under PCC Chapter 23.01.010 et seq., other civil rights laws, or to remedy harms suffered by the city under any of its programs, the City Attorney will propose such litigation to Council for its consideration.

**B. Council Encourages Industry and Labor Representatives to Increase Investigations into Questions of Discrimination in Employment and Contracting**

1. Council authorizes the City Attorney's Office and the Bureau of Purchases and Stores to work cooperatively with the Associated General Contractors, and other industry trade and organized labor groups to facilitate an increase in the number of investigations into questions of potential discrimination in employment and contracting.

## Section Six

# INCREASE THE NUMBER OF ELIGIBLE CERTIFIED MBE/WBE CONTRACTORS

This section addresses the fact that reliable data about MBEs and WBEs in the State is unavailable. I believe that City bureau managers can play an important role in encouraging MBEs and WBEs with whom they have contact to initiate the state certification process. I am asking the Council to endorse the Mayor's Office, the City Attorney's Office and the Bureau of Purchases and Stores to work with the State to improve its MBE/WBE certification process and reduce the turnaround time for processing applications.

**A. Council Directs Bureau Managers to Encourage Non-Certified MBE and WBE Contractors Doing Business with the City to Be Certified.**

1. Bureau managers are encouraged to provide information to MBE and WBE contractors not certified as MBE or WBE with the State of Oregon to do so. The Bureau of Purchases and Stores will provide bureau managers with the necessary materials to provide contractors.

**B. Council Authorizes the Mayor's Office to Work with State of Oregon to Improve MBE/WBE Certification Process**

1. The Mayor's Office, City Attorney's Office and Bureau of Purchases and Stores are authorized to work with the State of Oregon to improve the MBE/WBE certification process, to reduce turnaround time of processing applications and to minimize paperwork.

*See attachment P for a copy of State of Oregon MBE/WBE certification application and process outline.*

## Section Seven

# INCREASE INTERNAL COORDINATION OF LOCAL MBE/WBE ISSUES

This final section recognizes the obvious -- that coming to grips with the myriad of complex concerns and issues surrounding contracting and employment issues must be an on-going process for the City. A criticism of the City has been the lack of coordination in responding to the issues raised by the minority community. To address this concern, I propose that Council establish a City MBE/WBE Contracting Coordinating Committee to coordinate our efforts in these areas and to push forward the initiatives articulated here.

### A. Council Authorizes Creation of a City MBE/WBE Contract Coordinating Committee

1. Council establishes a staff work group to coordinate efforts and push policy agenda forward. This committee will recommend, review and advise the city on how to improve MBE and WBE contractors' participation on city contracts.

Membership in the MBE/WBE Contract Coordinating Committee will include representatives from the Bureau of Environmental Services, Bureau of Water Works, Bureau of General Services, City Attorney's Office, Bureau of Purchases and Stores, the Portland Development Commission, Department of Economic Development, Office of Transportation and Office of Finance and Administration.

The MBE/WBE Contract Coordinating Committee will be chaired by the Mayor's Office.



# MULTNOMAH COUNTY OREGON

*Board Briefing  
7-20-93  
Handout #1  
B-1*

GLADYS MCCOY  
COUNTY CHAIR

EMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
PLANNING & BUDGET  
RISK MANAGEMENT

(503) 248-5015  
(503) 248-3312  
(503) 248-5135  
(503) 248-3883  
(503) 248-3797

(503) 248-5170 TDD

PORTLAND BUILDING  
1120 S.W. FIFTH, 14TH FLOOR  
P.O. BOX 14700  
PORTLAND, OREGON 97214

PURCHASING, CONTRACTS  
& CENTRAL STORES

(503) 248-5111

2505 S.E. 11TH, 1ST FLOOR  
PORTLAND, OREGON 97202

## MEMORANDUM

TO: Board of County Commissioners  
H. C. Miggins, Acting County Chair  
Tanya Collier, Commissioner  
Gary Hansen, Commissioner  
Sharron Kelley, Commissioner  
Gary Saltzman, Commissioner

FROM: *L Walker* Lillie Walker, Director  
Purchasing, Contracts & Stores

DATE: July 20, 1993

RE: **POLICY DIRECTION AND APPROVAL TO FURTHER DEVELOP  
M/WBE FAIR CONTRACTING AND EMPLOYMENT INCENTIVES  
IN CONJUNCTION WITH THE CITY OF PORTLAND, METRO AND  
OTHER TRI-COUNTY JURISDICTIONS**

For the past four years, Multnomah County has worked with Tri-County jurisdictions to achieve parity in contracting opportunities for MBE and FBE contractors and sub-contractors. Race and gender neutral efforts, i.e., outreach efforts, activities to ensuring competitive minority participation were activated and some success has been achieved. The most significant accomplishment to-date was the completion of the MBE/WBE Feasibility Study. This study showed a dramatic decline in participation in all areas of contracting for voluntary MBE goals while goals were achieved if required by federal mandated funds.

Madelyn Wessel, Deputy City Counsel and Carlton Chayer, Purchasing Agent, took the lead in developing specific MBE and FBE program incentives, which was included in your packets.



I am recommending policy direction and approval to further develop the following:

1. MBE and WBE Contracting targets
2. Participation in a loan guarantee program to be implemented in conjunction with local commercial banks.
3. Program to enhance the bonding capacity of MBE and WBE contractors.
4. Participation through contribution of 8 hour per month of a FTE to work with City of Portland on EEO in contracting certification and monitoring.
5. Financial participation in a MBE and WBE Disparity Study. The City has authorized \$175,000 for FY 1993-94 for the project and Mayor Katz has sent a letter to the Chair's Office requesting \$100,000 in financial participation by Multnomah County. I am recommending \$50,000 this FY and \$50,000 for FY 94-95.

With your approval, I would like to proceed to request County Counsel to develop an Ordinance establishing a new MBE and FBE program as outlined above.



City of Portland  
Vera Katz  
Mayor

RECEIVED

JUL 13 1993

GLADYS MCCOY  
MULTNOMAH COUNTY CHAIR

AC

Board Briefings  
7-20-93  
Handout #2  
B-1

July 9, 1993

Mr. Hank Miggin, Acting Chair  
Multnomah County Commissioner  
1120 SW 5th Avenue, Room 1410  
Portland, OR 97204

Dear Mr. Miggin: *Hank* —

I write to you today with both a pledge and a plea.

Over the last year, representatives from 14 regional and state agencies met to discuss regional cooperation on a disparity study aimed at complying with the dictates of the United States Supreme Court decision in Richmond v. Croson. As you are no doubt aware, the Croson decision invalidated a minority set-aside program in Richmond, Virginia, and established that any such programs established by state or local governments would be subjected to intense scrutiny in the courts.

Since Croson, minority-owned businesses have lost ground in obtaining valuable subcontracting work through the prime bidders on regional construction contracts. Also since Croson, most state and local programs aimed at assisting minority and women-owned businesses ("MBEs" and "WBEs/FBEs") have been stopped in their tracks. While broad "good faith efforts" programs have been maintained and can be improved, many specific measures aimed at leveling the playing field for minority and women-owned businesses have been paralyzed. Such measures include our ability to set numerical targets for MBE and W/FBE participation in public contracts.

I do not believe that numerical targets or goals, standing alone, are the only way to move emerging minority and women-owned businesses towards successful and confident participation in regional contracting opportunities. I am working with the Portland City Council on a number of measures which can be implemented in our city without conducting a full-fledged disparity study. However, although we can do much without making the commitment to fund a disparity study, there is also much that we cannot do, namely require results.

Page 2  
July 9, 1993

We must facilitate and require outreach from prime contractors in MBE's and W/FBEs as well as a whole lot more -- things like training and mentoring so that new business owners have an opportunity to learn the hard currency of conducting business in today's economy. But all of the outreach and training in the world won't mean much if we cannot measure the results of those actions and make decisions based on those results. Such decisions include having the legal ability to reject a bid involving major public dollars if, despite all the "outreach" no minority or women-owned businesses have actually been included in the final pool of contractors, and no reasonable explanation for that omission has been given.

Good faith efforts, training and mentoring are profoundly important but miss one significant thing -- the fact that racism and sexism continue to affect our community and the comparative opportunities of minorities and women. We must not be driven by these negative realities alone, but we cannot ignore them.

It is this reason that I started this letter describing this correspondence as both a pledge and a plea.

The Multi-Jurisdictional Disparity/Predicate Feasibility Study in which our governments participated described in some detail the experiences of several cities which have undertaken Croson studies in the last several years: San Francisco, Seattle and Denver. The feasibility study identified many areas of potential regional cooperation in such a study here in Oregon, and estimated a rough cost for such a regional undertaking at \$700,000.

On behalf of the City Council, I pledge \$175,000 to start up such an undertaking, and challenge you and other regional partners to make a similar pledge. Ensuring that all parts of our community are included in the business opportunities generated by our government programs isn't only a matter of simple justice. It is, frankly, a question of our long-term survival as a thriving, diverse and functioning community.

Thank you for considering this proposal and I look forward to your reply.

With warm regards,



Vera Katz  
Mayor

VK:mlh

**MULTNOMAH**

To	John DeBay	From	Lillie W.
Co.		Co.	
Dept.		Phone #	
Fax #	2717	Fax #	3252

GLADYS MCCOY  
COUNTY CHAIREMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
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PORTLAND BUILDING  
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P.O. BOX 14700  
PORTLAND, OREGON 97214PURCHASING, CONTRACTS  
& CENTRAL STORES

(503) 248-5111

2505 S.E. 11TH, 1ST FLOOR  
PORTLAND, OREGON 97202**MEMORANDUM**

TO: Robert Trachtenberg, Staff Assistant  
Commissioner Sharron Kelley  
Mike Delman, Staff Assistant  
Commissioner Gary Hansen

FROM: *Lillie Walker* Lillie Walker, Manager  
Purchasing, Contracts & Central Stores

DATE: July 6, 1993

RE: ORDINANCE #746 ISSUES

BOARD OF  
COUNTY COMMISSIONERS  
1993 JUL 14 PM 2:45  
MULTNOMAH COUNTY  
OREGON

Since BCC adoption of the referenced Ordinance, Purchasing has implemented Ordinance provisions as follows:

1. Section III. B. - Incorporated the **Conflict of Interest** form developed by the Auditor's Office in standard purchasing boilerplate for all bids and RFPs. These forms are reviewed after bid/RFP openings.

Problem: Informal purchases between \$1,000 and \$10,000 are often quotes by phone or sent to vendors by FAX. Over 277 quotes in this category were issued between April 1 and June 30, 1993. These purchases are generally processed within 5 to 7 days through issuance of a Purchase Order. A large number of small and minority vendors cannot do business by FAX to allow the form to be sent and received. I am requesting clarification or intent regarding these purchases.

2. Section III. C. - Revised Bid/RFP Evaluation Form to provide to BCC for review of contracts not based upon low bid or high RFP score. Based upon the fact that formal bids are advertised, publicly opened and read, we are requesting that bids be exempted from this review.

AN EQUAL OPPORTUNITY EMPLOYER

279 and County Ordinances and Exemptions from public contracting. Generally, these rules require updating after each Oregon State Legislative Assembly. The Oregon Attorney General's Office is responsible for developing rules and procedures based on new or revised public contracting statutes. These model rules of procedures are available for adoption by all public contracting agencies in the State and I am recommend review and adoption by the BCC acting as Public Contracting Review Board.

AGENDA NO: \_\_\_\_\_

(Above Space for Board Clerk's Use ONLY)  
-----**AGENDA PLACEMENT FORM**

SUBJECT: \_\_\_\_\_

BOARD BRIEFING Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING: Date Requested: July 20, 1993Amount of Time Needed: 30 MinutesDEPARTMENT: MSS DIVISION: Purchasing, Contracts, Central  
StoresCONTACT: Lillie Walker TELEPHONE #: 248-5111

BLDG/ROOM #: \_\_\_\_\_

PERSON(S) MAKING PRESENTATION: Lillie Walker/Chip Lazenby/Sam Adams, Executive  
Assistant to Mayor Vera Katz**ACTION REQUESTED:**☐ INFORMATIONAL ONLY ☒ POLICY DIRECTION ☒ APPROVAL ☐ OTHER**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Briefing to the Board of County Commissioners on the City of Portland's Fair Contracting and Employment Initiatives. Approval of Multnomah County cooperation and participation.

**SIGNATURE REQUIRED:**

ELECTED OFFICIAL: \_\_\_\_\_

OR

DEPARTMENT MANAGER: Lillie M. Walker**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

**MULTNOMAH COUNTY OREGON**GLADYS MCCOY  
COUNTY CHAIREMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
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& CENTRAL STORES

(503) 248-5111

2505 S.E. 11TH, 1ST FLOOR  
PORTLAND, OREGON 97202**MEMORANDUM**

**TO:** Board of County Commissioners  
Henry C. Miggins, Acting County Chair  
Tanya Collier  
Gary Hansen  
Sharron Kelley  
Dan Saltzman

**FROM:** *Lillie Walker* Lillie Walker, Director  
Purchasing, Contracts & Central Stores

**DATE:** July 12, 1993

**RE:** **BRIEFING - CITY OF PORTLAND'S FAIR CONTRACTING AND EMPLOYMENT INITIATIVE**

On June 30, the Mayor's Office presented the referenced report which was unanimously adopted by the City Council. The report outlines a comprehensive MBE and WBE contracting and employment program. Key proposal elements include:

1. MBE and WBE contracting targets with a quarterly reports to Council regarding target attainment.
2. Activities to increase MBE and WBE contracting opportunities.
3. Business and financial assistance to existing and emerging MBE and WBE contractors.
4. Expansion of minority and women employment opportunities with City contractors.

Investigate and document discrimination (Disparity Study).

Increase the number of eligible certified MBE and WBE contractors.

7. Increase internal coordination of local MBE and WBE issues.

Details of the above program and County effort are attached.

Meeting Date: JUL 20 1993

Agenda No.: B-2

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM  
(For Non-Budgetary Items)

SUBJECT: OREGON HEALTH PLAN & OHSU COLLABORATION BRIEFING

BCC Informal JULY 20, 1993 BCC Formal \_\_\_\_\_  
(date) (date)

DEPARTMENT: HEALTH DIVISION: ADMINISTRATION

CONTACT: MARY LOU HENNRICH TELEPHONE: 248-3674

PERSON(S) MAKING PRESENTATION MARY LOU HENNRICH, BILLI ODEGAARD,  
AND TOM FRONK

ACTION REQUESTED:

☒ INFORMATION ONLY ☐ POLICY DIRECTION ☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 1 HOUR

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: \_\_\_\_\_

BRIEF SUMMARY (Include statement of rationale for action requested,  
as well as personnel and fiscal /budgetary impacts, if applicable):

The State of Oregon has received the necessary waivers from the Federal Government (HCFA) to allow implementation of the Oregon Health Plan. Assuming funding by the legislature, the plan will be implemented as soon as January 1994. The County Health Department is a major provider of medical care to Medicaid clients within the County. Participation in the Plan would significantly alter the County's role as a provider of medical services.

The Department wishes to brief the Board, providing background, discussing implementation issues, specifically the development of a fully capitated health care system with the University Hospital, and exploring the opportunities provided through participation in the Plan.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL \_\_\_\_\_

Or

DEPARTMENT MANAGER \_\_\_\_\_

*Billi Odegard*

(All accompanying documents must have required signatures)

BOARD OF  
HEALTH COMMISSIONERS  
1993 JUN 15 PM 12:18  
MULTI-COUNTY  
OREGON

*Handout #1*  
*B-2*

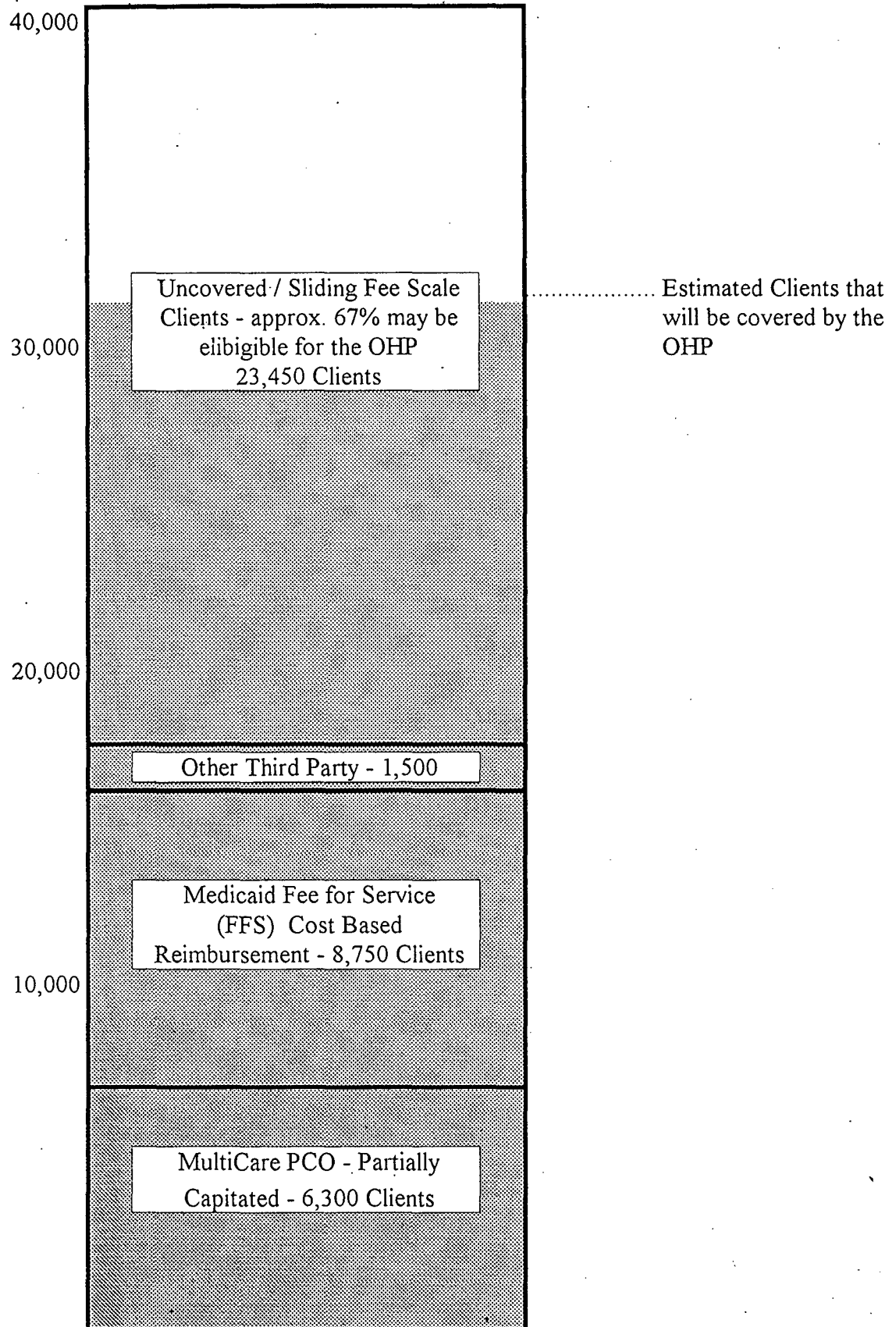
Board Briefing

July 20, 1993

**The Oregon Health Plan**

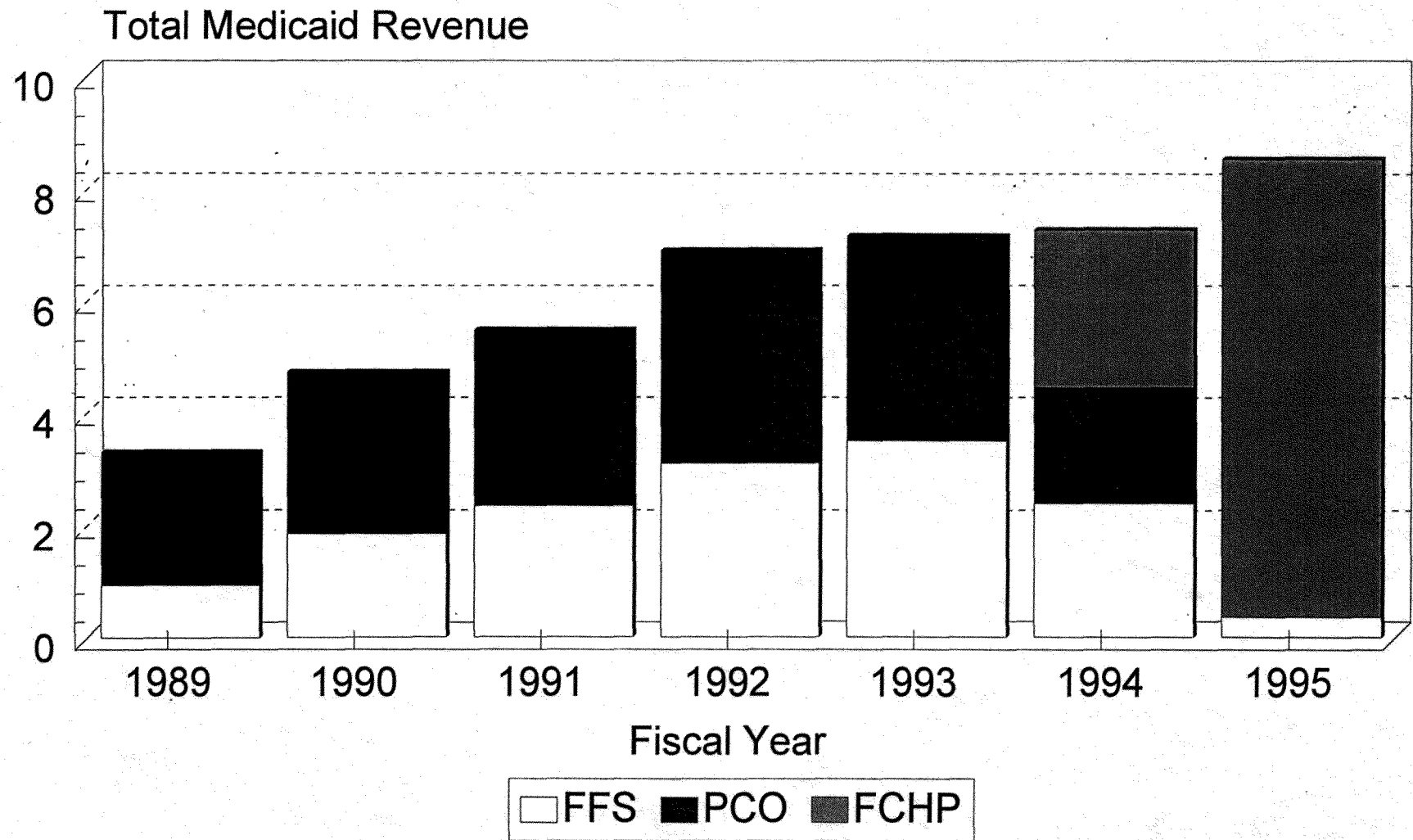


# Multnomah County Health Department Primary Care Services - Client Characteristics

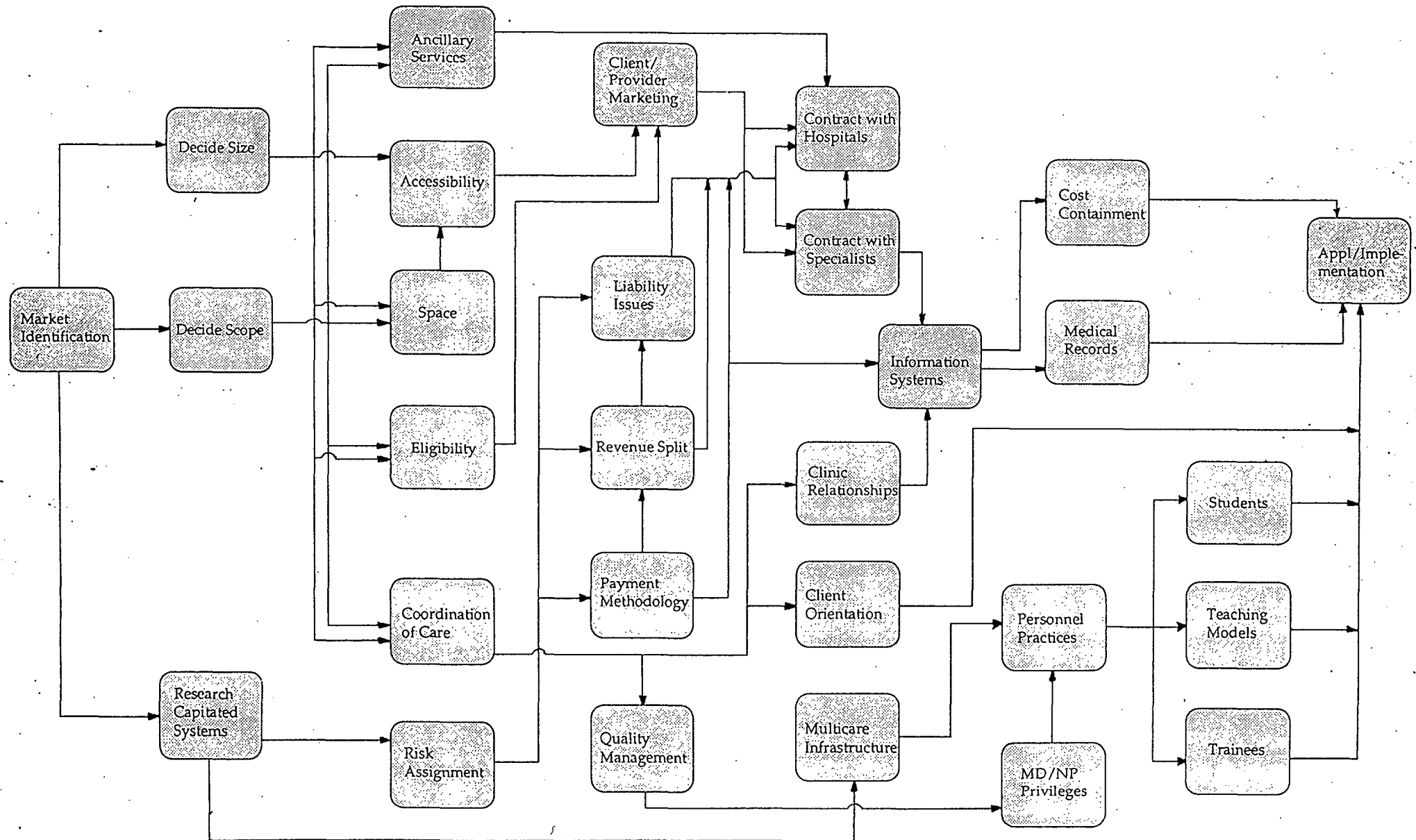


# Medicaid Revenues, 1989 to 1995

## Multnomah County Health Department



Multnomah County Health Department/OHSU  
Oregon Health Plan  
Implementation Flowchart



CARE OREGON  
VISION

- 1) Fully capitated health plan.
- 2) Multicare and University Hospital primary partners. Welcome other private/governmental units. Willing to participate in a relationship to accomplish mutual visions/goals.
- 3) Develop a new, improved model of a community based capitated health plan with emphasis on primary care case management to deliver cost effective quality care for patients enrolled in health plan.
- 4) Incorporate training of health care professionals in model.
- 5) Health care model should strive for the holistic needs of the patient, including social and bio-psychological.
- 6) Model should strive to improve the continuity of health care in the primary care, specialty, and inpatient care of patients.
- 7) Model should be creative and incorporate a variety of health care providers which provide the highest quality and cost effective care.
- 8) The model should have the capacity to facilitate non-medicare care in the delivery system depending on funding.
- 9) Develop a model that responds to culturally diverse populations and clients with special needs.
- 10) Financially solvent -- model administrative system; best in the state, meet needs of indigent statewide setting a standard for indigent.
- 11) Build on strengths of organization -- cost effective.
- 12) Clients are partners in their care -- membership services responsive to enhance overall care and sensitivity to each others needs for long term growth.
- 13) The model should reflect community based needs assessment and incorporate community participation in development, policy making and management.

1/3/92

## **OHSU/MULTICARE SUBCOMMITTEE LIST**

### **Case Management/Coordination of Care**

**Members:** Glenn Rodriguez\*, Margaret Lentell, Denise Chuckovitch, Sharron Clark, Bev Look, Cathy Folk, Colin Wood

- Quality Assurance/Improvement/Management
- Utilization Review (inpatient/outpatient)
- Cost containment (incentives/sanctions)
- Information systems to support QA/UR/CC and continuity
- Medical records
- Referral system

### **Clinical Support/Ancillary Services**

**Members:** Pam Waldman\*, Carol Howe, Shari Blakeslee, Linda Galante, Marilyn Streeter, Margaret Slagle

- |  |                         |
|--|-------------------------|
| -- Lab services                        | -- Pharmacy             |
| -- Radiology                           | -- Interpreter services |
| -- PT/OT                               | -- Speech and hearing   |
| -- Vision (primary care and specialty) | -- Optometry            |
| -- Dental                              | -- Ophthalmology        |

### **Continuity of Care/Clinical Practice & Education**

**Members:** Patsy Kullberg, John Saultz, Art Jaffe, Jim McDonald\*, Cathie Burns, Carol Howe, Gregg Coodley, Suzanne Kahn, Yuen Chan, Greg Mecklem

- After hours service
- Urgency/emergency care
- Coordination of primary and specialty care
- MD/NP admitting privileges (probable start date of 5/1/93 for MDs)
- Special needs' kids (co-manage)

### **Marketing/Eligibility**

**Members:** Marilyn Streeter\*, Pam Waldman, Jan Vlahos, David Porter, Kathleen Fuller-Poe, Amy Gredler, Ian Timm, Mary Murphy, Colin Wood, Gil Munos

- |  |                        |
|--|------------------------|
| -- Client/provider/staff marketing                                     | -- Eligibility systems |
| -- Client preference/needs survey                                      | -- Marketing materials |
| -- Recommendation for system changes<br>based on client survey results |                        |

### **Fiscal Issues**

**Members:** Jim Walker, Linda Galante, Mary Lou Hennrich\*, Patti Justice, Tom Fronk, David Porter, Pam Waldman, Ian Timm, Tom Troxel

- |                                      |   |
|--------------------------------------|---|
| -- Payment methodology/revenue split | -- Facilities needs/financing             |
| -- Contract issues                   | -- Cost containment (incentive/sanctions) |
| -- Risk/incentive arrangements       |   |

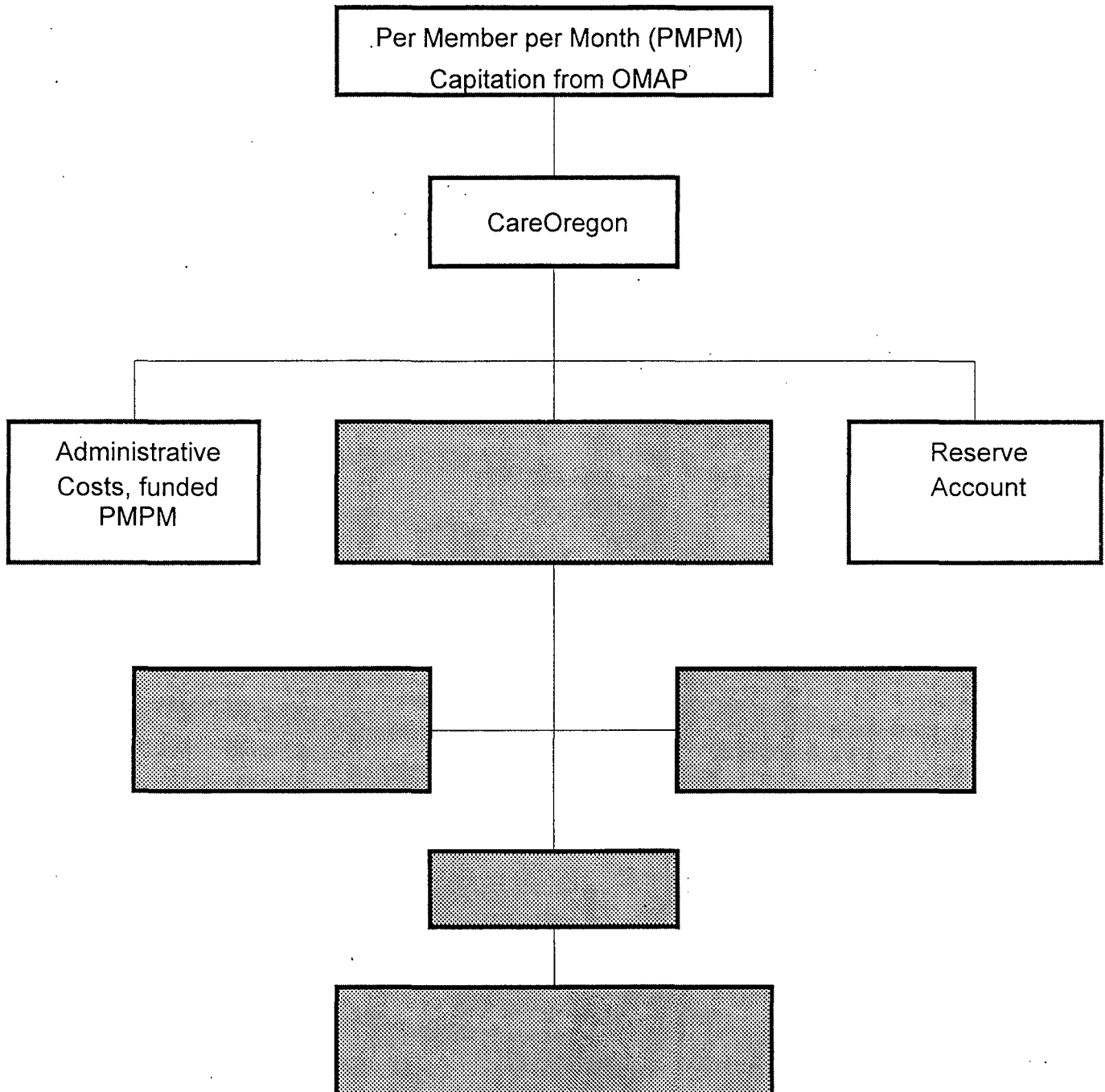
### **Information Systems**

**Members:** Jim Elert, Glenn Rodriguez, Tim Rowan\*, Pam Waldman, Marilyn Streeter, Rick Wagner, Valerie Whelan, Suzanne Kahn, Ian Timm, Virginia Warren, Gil Munos

- Transfer of county info systems to OHSU

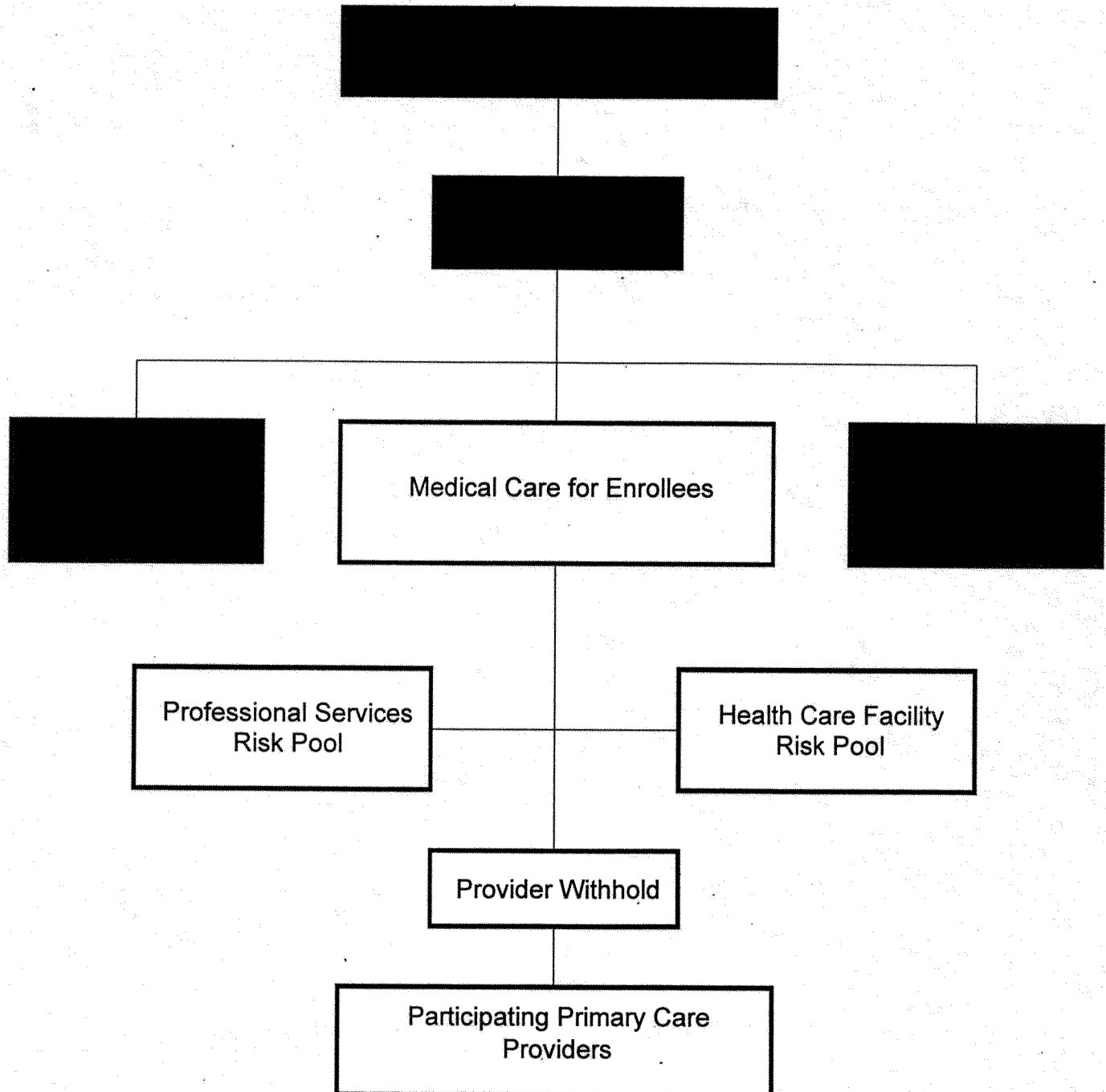
# CareOregon

## Proposed Fiscal Structure



# CareOregon

## Proposed Fiscal Structure



## MEDICAID RELATED DEFINITIONS

### FEE FOR SERVICE

Provider of care (MD, NP, Others) receive payment for services rendered to individual clients upon submission of a bill (claim). Medicaid pays based on historically established fee scale, **not provider charges/costs**. Current estimate reveals Medicaid paying 45-50 cents on the dollar. Few private providers interested in providing services for "low" reimbursement rates.

### FQHC/COST BASED REIMBURSEMENT

FQHC's (Federally Qualified Health Centers (those receiving Public Health Service Primary Care Grants) are entitled to receive "cost based reimbursement" for services provided to clients with Fee for Service Medicaid coverage. **Multnomah County Health Dept. is a FQHC** and qualifies for this higher rate of Medicaid reimbursement.

### PARTIALLY CAPITATED HEALTH PLAN (PCHP)

Health care provider receives monthly **capitation** payment under contract from Medicaid which requires the provider to "be at risk" for all primary care, lab, x-ray, specialist referral and physician costs in the Emergency Room and hospital. The provider/plan covers her costs and authorizes/pays for specialty care needed by the client. The monthly capitation fee is paid to the plan by Medicaid based on the client being enrolled in the plan, whether or not he receives service from the provider that month.

**Multnomah County Health Department is currently a PCHP** with 6,300 **MULTICARE** enrollees. Medicaid requires all AFDC recipients living in the metro area to choose a managed care plan; they do not have the choice of being a "Fee for Service" client.

### FULLY CAPITATED HEALTH PLAN (FCHP)

Health care provider receives monthly **capitation** payment which requires that the provider be "at risk" for all the services described in the PCHP **plus** the costs of Emergency Room Facility and inpatient hospitalization. If the Oregon Health Plan is implemented, Medicaid will require all eligibles in the metro area and many other parts of Oregon to select a FCHP for their coverage. No "fee for service" will be allowed, nor will Partially Capitated Health Plans. **Multnomah County Health Department is in the process of applying to become a Fully Capitated Health Plan.** We are doing this in collaboration with Oregon Health Sciences University, Clackamas County Health Department, and other community and migrant health centers throughout the state. This new FCHP is being called **CareOregon**.



## GLOSSARY

Breakeven point - The volume of goods or services a business must sell before its income equals its expenses. The volume required to break even is a function of the proportion of expenses which are fixed, i.e. unrelated to volume, as opposed to expenses which are variable, i.e., related directly and proportionally to volume.

Capitation - The amount of money paid to a provider to provide a specified set of health services to an individual for a specified period of time.

Community rating - A system of determining the premium rate of a prepayment plan whereby the premiums are reasonably uniform for the community and are not based on an individual's or group's claims experience. The rate is determined according to demographic and health status characteristics of the community at large.

Concurrent review - A method of utilization review in which a health professional tracks all HMO members who are in the hospital and coordinates with the attending physician, the primary care physician, and the HMO's medical director to ensure that length of inpatient stay is no longer than necessary.

Coordination of benefits - In a situation in which more than one party is responsible for payment for services, an HMO generally delivers the services and then seeks to recover payment from those other parties. This effort is referred to as coordination of benefits.

Copayment - A flat fee or portion of charges which an HMO may require its members to pay for certain services. Copayments are usually instituted in order to discourage overutilization or to enable the HMO to reduce premiums. For instance, NHP requires commercial members to pay a \$3.00 copayment for each prescription.

Discharge planning - Assistance in arranging for patients to be shifted out of expensive hospital settings and into lower levels of care, such as skilled nursing care or home care. Discharge planning is done in conjunction with utilization review.

Experience rating - A method of determining a particular group's insurance premium based on that group's claims experience, age, sex, and/or health status.

Fee for service - A method of paying for health care based on a set charge for each service received. Payment may be made by the patient or by a third party.

Health Maintenance Organization - An organization that provides its members with comprehensive health care for a prepaid, fixed premium. Members must receive their health care from specified providers if the HMO is to pay for it.

Indemnity plan - A type of insurance plan in which benefits are in the form of cash payments rather than services. The plan either reimburses the provider for services performed or the beneficiary for expenses incurred.

MIS (Management information system) - A system that provides information to assist management in decision making throughout the business cycle in planning and budgeting, service delivery, financial management and accounting, evaluation, etc.

Medicaid - The health care payment system which is Federally aided and regulated, but State operated and administered, to provide needed care for low-income families. The program is authorized by Title XIX of the Social Security Act.

Medicare - Title XVIII of the Social Security Act of 1965 which provides payment for medical and health services to the population age 65 and over. The program is voluntary and is financed through Social Security deductions from employee - employer payrolls and is handled through national trust funds. Part A covers hospital and skilled nursing facility costs. Part B, for which there is a monthly premium, covers physician services and certain outpatient procedures. It is governed at the Federal level but claims are processed through insurance companies which serve as fiscal intermediaries.

Network model - A type of HMO in which the HMO contracts with several group practices in a single area; service is typically provided in the group's facilities.

Pre-admission certification - A utilization control procedure requiring prior authorization of all elective hospital admissions by a medical authority other than the attending physician.

Primary care case management - A delivery system in which each enrolled member or the plan selects, or is assigned to, a primary care physician who is responsible for providing or coordinating all of the member's health service use. The member receives non-emergency care only from, or upon direct authority of, the primary care physician.

Prospective payment system - A system of payment for health care in which the amount paid for services is established prior to and independent of the delivery of services. The system can be product based, i.e., based on an occasion of services (as in DRG's), or it can be based on a predetermined budget within which all services during a specified period of time must be provided (as in HMO's).

Quality assurance - A formally established program to measure and monitor the quality of care rendered by an HMO. It includes procedures to remedy any deficiencies or problems, usually including specified patient grievance procedures.

Glossary  
Page Three

Re-insurance - The practice whereby HMOs limit their potential losses by purchasing insurance from another company. This limits an HMO's liability in paying for the services used by members.

Reserves - A capital account whose purpose is to protect members and creditors against insolvency of the HMO. A percentage of HMO member's premiums are often set aside to fund this account until it reaches appropriate levels. Federal and state regulations dictate the minimum size of the reserves.

Risk corridor - The difference between the dollar amount of premiums per member and the stop-loss, i.e., the dollar amount of an HMO's or provider's risk for each member.

Stop-loss - A ceiling on the dollar amount of a member's health services under which an HMO or provider is responsible for payment. (see re-insurance)

Utilization review - The process of evaluating the necessity, appropriateness and efficiency of the use of medical services, procedures and facilities.

MEETING DATE: JUL 20 1993

AGENDA NO: B-3

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Partners Program/Capitating Child & Adolescent Mental Health Services

BOARD BRIEFING Date Requested: July 20, 1993 10:30

Amount of Time Needed: 1 hour

REGULAR MEETING: Date Requested:

Amount of Time Needed:

DEPARTMENT: Social Services

DIVISION: Administration

CONTACT: Gary Nakao

TELEPHONE #: 248-3782

BLDG/ROOM #: 161/6

PERSON(S) MAKING PRESENTATION: Gary Nakao, Gary Smith, James Edmondson, Elleen Deck, Barry Kast

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

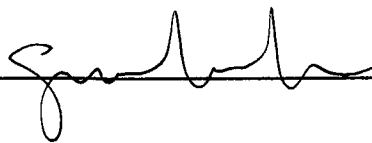
The State of Oregon has proposed that beginning July 1, 1994 Multnomah County implement a capitated mental health program for the county's 30,000 Medicaid eligible children under age 21. The attached materials describe the State's proposal and the planning timeline and process that the Department of Social Services will use to respond to this proposal. The Department of Social Services is not asking for Board action at this time except to acknowledge that staff will be proceeding to plan the capitation program as outlined.

SIGNATURES REQUIRED:

ELECTED OFFICIAL:

OR

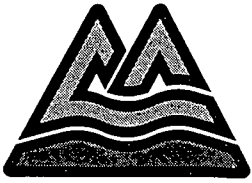
DEPARTMENT MANAGER:



MULTNOMAH COUNTY  
OREGON  
1993 JUL - 6 AM 9:51  
JULY 6 1993  
CLERK OF BOARD

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222



# MULTNOMAH COUNTY OREGON

OFFICE OF CHILD AND ADOLESCENT MENTAL HEALTH SERVICES  
426 S.W. STARK, 7TH FLOOR  
PORTLAND, OREGON 97204  
(503) 248-3999

GLADYS McCOY  
COUNTY CHAIR

## BRIEFING PAPER for Multnomah County Board of Commissioners

June, 1993

Topic: Proposal for Implementing a Capitated Payment System for Mental Health Services to Medicaid Eligible Children and Adolescents in Multnomah County.

The Oregon Mental Health and Developmental Disability Services Division has proposed that Multnomah County develop a system of care for children and adolescents, to be implemented in July, 1994, to manage Mental Health services for this population.

The goals of this proposal are:

1. Incorporate the learning from the Partners Project
2. Contain growth in Medicaid costs
3. Improve the system of care through local control
4. Prepare a position for the County for the Oregon Health Plan, Phase 2 (includes mental health services).

### History:

"Following the deinstitutionalization movement of the 1960's and 1970's, Community Mental Health Centers (CMHC's) were designed to provide comprehensive mental health services to a defined population (catchment area)...to develop coordinated and managed systems to provide the appropriate care" to those with mental health problems."<sup>1</sup>

These earlier concepts of a public sector managed mental health network for a defined geographic area are now being recreated by the public system managed care initiatives of the last several years... The current public system is perceived by policymakers, funders, advocates and consumers as fragmented and inefficient...In addition to the development of CMHC's, Medicare and Medicaid have contributed to the growth but also to the fragmentation of the system. These problems have led mental health policymakers to propose variants of managed care and capitation plans for the public sector (Lehman, 1987; Talbot and Sharfstein, 1986). These proposals are, in general, motivated by attempts to reduce the discontinuity and fragmentation of care.<sup>2</sup>

1,2: Managed Mental Health Services, by Saul Feldman, pgs.45-57.

Capitation is a mechanism for financing and managing mental health care.

Multnomah County's system of care would finance and manage the mental health delivery system for approximately 30,000 Medicaid eligible youth. (Only about 40% of those eligible received services in a two year period, in Philadelphia.)

A managed care system will mean a single financial stream (the money for Medicaid services would flow from the State in one amount each month, rather than through an elaborate billing system). The resources will be used more flexibly; the length of stay in inpatient facilities will come down and more outpatient services will be utilized, especially in early intervention. Intensive case management will be available for the group with the highest need, so that there is adequate support rather than a cost shifting to use of less intensive services more frequently or to other agencies. Services tailored to meet the needs of the community will be developed and available.

A careful utilization review system will provide oversight to ensure that clients get the service they need for the length of time needed, as determined through outcome objectives written into a plan of care. This will be true for high and moderate users of mental health services and will utilize technology currently in place in Partners Project and EPSDT (Early Periodic Screening, Diagnosis and Treatment).

Implementation of this proposal will mean a shift of administration and a sharing of financial risk with the State. It will increase service flexibility, offer new configurations of services that are broader, better coordinated and less redundant. It will encourage early intervention and will provide a case manager to guide clients in obtaining appropriate and cost-effective care.

The implementation of this model will put Multnomah County in a position to better implement the Oregon Health Plan and to better coordinate and consolidate health services for all of its constituents. This is an opportunity to develop and test a technology in the public sector which will soon become necessary for the survival of any health care system, public or private, with the emergence of health care reform in this country.

It will be necessary to have an excellent management information system for the success of this project. We can anticipate a shift in administrative costs and staffing from the state to the county. The risks involved are gaining acceptance nationally, largely because of the current level of fiscal and administrative fragmentation and the opportunity to substitute approaches other than repeated, extended (and expensive) inpatient hospitalizations.

Input on the development and implementation of this delivery system will be obtained from all service agencies (CSD, public schools), consumers and providers affected by it.

# **SUMMARY OF STATE PROPOSAL FOR IMPLEMENTING A CAPITATED PAYMENT SYSTEM FOR MENTAL HEALTH SERVICES TO MEDICAID ELIGIBLE CHILDREN AND ADOLESCENTS IN MULTNOMAH COUNTY**

---

## **ISSUE**

The State of Oregon Mental Health and Developmental Disabilities Services Division has asked Multnomah County to consider participating in a capitated mental health system for children and adolescents beginning July 1, 1994.

## **GOALS**

- Incorporate experience from the Robert Wood Johnson Partners Project and EPSTD.
- Contain growth in Medicaid costs.
- Improve system of care through local control.
- Position the County for participation in the Oregon Health Plan.

## **FUNDING MECHANISM**

Multnomah County will receive a prepaid amount of approximately \$15.00 per month for each of 30,000 Medicaid eligible children ages birth to 21 in the County. This equates to about \$5.4 million per year.

## **COVERED SERVICES**

During Phase I, the capitated rate would apply only to outpatient rehabilitative services. Over a twelve month period, the County would assume management of all child and adolescent related Medicaid funded services. By starting with outpatient services, the County's risk is greatly limited while it gains experience managing the capitated program and plans for its expansion to other services.

## **PARTNERS/EPSTD EXPERIENCE**

The County has acquired knowledge and experience from its management of these services over the past several years in such areas as:

- Intake and Assessment
- Managed Care
- Capitation
- Inter-agency Collaboration
- Cost Containment
- Individualized Client Service Planning

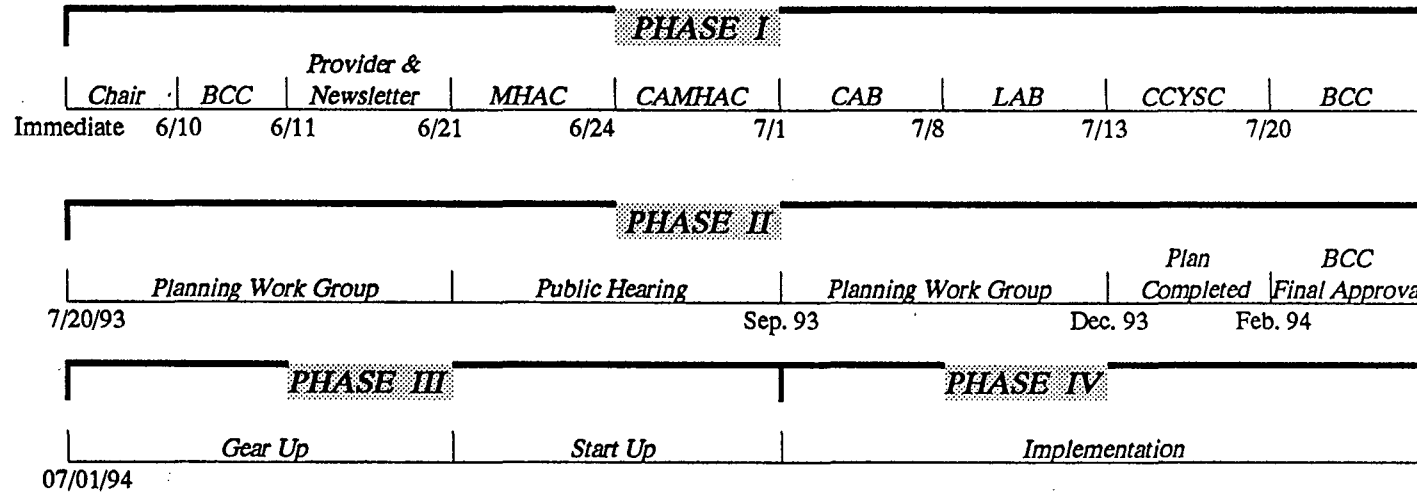
## **PLANNING THE CAPITATED SYSTEM**

The Department of Social Services has formed a Managed Care Steering Committee to oversee the planning and implementation of the capitated mental health system for children and adolescents. Extensive involvement of all key stakeholders is envisioned. A joint work group will be convened by the Steering Committee to bring expertise and interests together during the planning phase.

## **SUMMARY**

The State's proposal gives Multnomah County an excellent opportunity to choose its own destiny in the future of managed mental health care beginning with one of its highest priority areas - children and adolescents. The Steering Committee will be meeting informally with various groups to provide information about the proposal, and actively seek input from all sectors of the community in order to plan the strongest possible mental health system for children and adolescents.

# Managed Care Steering Committee Timelines



Chair  
BCC  
Providers (19)  
Newsletter  
Partners  
MHAC  
CAMHAC  
LAB  
YSMT  
CAB  
CCSYC

## Timelines

Timelines	Staff Assigned
Immediate	Gary Nakao
Prior to 06/10	Gary Smith / James Edmondson / Elleen Deck
June 11	James Edmondson / Elleen Deck
June 11	James Edmondson / Elleen Deck
June 11	James Edmondson / Elleen Deck
June 21	Gary Smith
June 24	James Edmondson
July 8	Elleen Deck
June 24	Gary Nakao / Gary Smith / James Edmondson / Elleen Deck
July 1	Gary Nakao
July 13	Gary Nakao

## Steering Committee Members

Gary Nakao  
Gary Smith  
Ardys Craghead  
James Edmondson  
Elleen Deck

1. DSS- DRAFT CMSC (Child Mental Health Steering Committee) Gary Nakao
2. Week of June 14 - Present as public forum

BCC	Board of County Commissioners
MHAC	Mental Health Advisory Committee
CAMHAC	Child and Adolescent Mental Health Advisory Committee
CAB	Citizen Advisory Board
LAB	Local Advisory Board
CCYSC	Community Children Youth Services Commission



# **Child and Adolescent Managed Care Planning Group**

Child and Adolescent Mental Health Advisory Committee:

Children Services Division:

Community Children and Youth Services Commission:

Board of County Commissioners:

Parent/Consumer:

Developmental Disabilities Council:

Drug and Alcohol Council:

Juvenile Justice Division:

Mental Health Advisory Committee:

Mental Health Professional:

Multnomah County Department of Health:

Multnomah Council on Chemical Dependency:

Child and Adolescent Mental Health Providers:

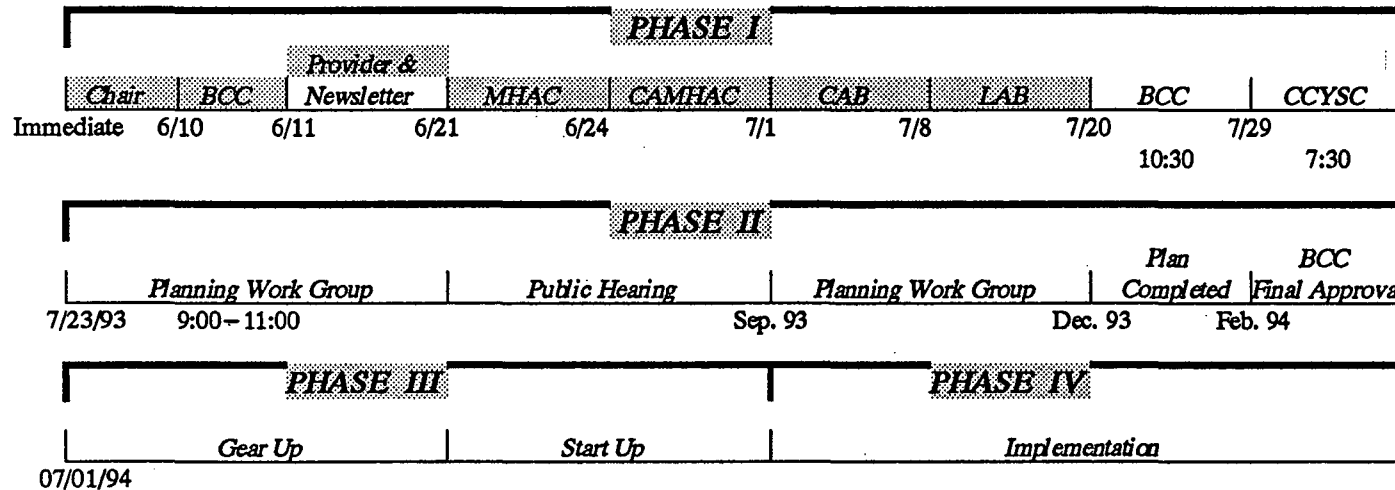
Robert Wood Johnson Advisory Committee/School Districts:

State Office of Child and Adolescent Mental Health Services/Child and Adolescent Service  
System Program

Staff:

Board Briefing  
7-20-93  
Handout #1  
B-3

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# **SUMMARY OF STATE PROPOSAL FOR IMPLEMENTING A CAPITATED PAYMENT SYSTEM FOR MENTAL HEALTH SERVICES TO MEDICAID ELIGIBLE CHILDREN AND ADOLESCENTS IN MULTNOMAH COUNTY**

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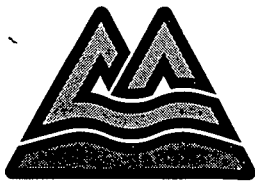
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# MULTNOMAH COUNTY OREGON

OFFICE OF CHILD AND ADOLESCENT MENTAL HEALTH SERVICES  
426 S.W. STARK, 7TH FLOOR  
PORTLAND, OREGON 97204  
(503) 248-3999

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COUNTY CHAIR

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June, 1993

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# **Child and Adolescent Managed Care Community Advisory Group**

Board of County Commissioners:



Child and Adolescent Mental Health Advisory Committee:



Child and Adolescent Mental Health Providers:



Children Services Division:



Community Children and Youth Services Commission:



Developmental Disabilities Council:



Drug and Alcohol Council:



Juvenile Justice Division:



Medical Community:



Mental Health Advisory Committee:



Mental Health Professional / Non-Agency:



Multnomah County Department of Health:



Multnomah Council on Chemical Dependency:



Multnomah County Legal Aid Services:



Parent/Consumer:



Partners Local Advisory Committee:



Pediatrician:



# **Child and Adolescent Managed Care Community Advisory Group (Cont.)**

Psychiatric:

- 
- 
- 
- 
- 
- 

School Districts:

- 
- 

State Office of Child and Adolescent Mental Health Services/Child and Adolescent Service  
System Program:

- 

Staff:

- 
- 
- 
-

MEETING DATE: JUL 20 1993

AGENDA NO: B-4

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: Use of Library General Obligation Bond Proceeds

BOARD BRIEFING Date Requested: July 20, 1993

Amount of Time Needed: 30 minutes

REGULAR MEETING: Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

DEPARTMENT: MSS

DIVISION: Finance

CONTACT: Dave Boyer

TELEPHONE #: 248-3903

BLDG/ROOM #: 106/1430

PERSON(S) MAKING PRESENTATION: Dave Boyer, Howard Rankin, Jim Emerson, Ginnie Cooper

**ACTION REQUESTED:**

☐ INFORMATIONAL ONLY ☒ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Brief the Board on action steps to pursue the Validation of the Use of Library General Obligation Bond proceeds for temporary rental payments.

**SIGNATURES REQUIRED:**

ELECTED OFFICIAL: X Hank Higgins

OR

DEPARTMENT MANAGER: Paul Boyer

1993 JUL - 3 PM 2:41  
CLERK OF  
MULTNOMAH COUNTY  
OREGON

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

0516C/63

6/93



RANKIN MERSEREAU & SHANNON

JUN 22 REC'D

HOWARD A. RANKIN  
PETER R. MERSEREAU  
JAMES P. SHANNON, LL.M.  
THOMAS W. McPHERSON†  
DALE G. RASMUSSEN

LAWYERS

FOUNDED IN 1885  
SMITH & TEAL

OLIVER I. NORVILLE  
CAROL A. EMORY††  
OF COUNSEL

† ALSO LICENSED IN CALIFORNIA  
\* ALSO LICENSED IN MICHIGAN & COLORADO  
†† ALSO LICENSED IN CALIFORNIA & DISTRICT OF COLUMBIA

1600 BENJ. FRANKLIN PLAZA  
ONE S.W. COLUMBIA STREET  
PORTLAND, OREGON 97258

TELEPHONE: 503-226-6400  
FACSIMILE: 503-226-0383

June 22, 1993

HAND-DELIVERED

Mr. David Boyer  
Finance Director  
Ms. Patricia Shaw  
Treasury Manager  
Multnomah County, Oregon  
1120 S.W. Fifth, 14th Floor  
Portland, Oregon 97204

**Re:      *Payment of Temporary Relocation of Central Library from  
Multnomah County General Obligation Library Bonds Proceeds***

Dear David:

You have asked for our opinion as to whether bond proceeds may be applied in payment of rental expense of a temporary library facility and the relocation expenses of transferring the operation of the Central Library to a temporary location and upon completion of reconstruction and renovation of the Central Library to transfer operations back to the Central Library. In addition you inquire whether certain expenses of necessary improvements to the temporary location are payable from the bond proceeds.

We have examined the provisions of Oregon Revised Statutes 310.140(17)(19) for a determination as to whether expenditures for these purposes qualify as "capital construction or improvements" as defined in Article XI, Section 11b of the Oregon Constitution. We have also examined the provisions of the Oregon Constitution, Article XI, Section 10, prohibiting a county from creating any debt or liabilities in the aggregate greater than the sum of \$5,000.

The subsections of the statute broadly define capital construction as "construction, modification, repair, remodeling, or renovation of a structure."

Rankin Mersereau & Shannon

Mr. David Boyer  
Multnomah County, Oregon  
June 22, 1993  
Page 2

ORS 310.140 was adopted by the Oregon legislature in 1991, as Chapter 449. Oregon courts have not defined or construed these definitions of capital construction or improvements.

While it is our opinion that in construing the words "capital construction or improvements" a court would give considerable weight to the definitions prescribed by the legislature, the Oregon court is not bound to do so should it find that the expenditure is unconstitutional and exceeds the debt limit of \$5,000 for county indebtedness.

With this uncertainty it is our recommendation that the Board of County Commissioners authorize and approve (but do not execute nor deliver) a contract with the owner or landlord of the facilities to be leased for the housing of the library operations during the 18 month to 24 month construction period. This "unexecuted contract" is subject to confirmation and validation by the Oregon court pursuant to Oregon Revised Statutes 33.710.

The unexecuted contract would be submitted to the courts for confirmation of the legality of use of bond proceeds. A judgment for confirmation by the court would constitute affirmation of the County's expenditure of bond proceeds for these purposes and upon entry of the judgment the legal issue of such expenditure is not subject to future contest by any person.

As you will recall from similar proceedings, we anticipate these proceedings would take about 45 to 60 days for consummation if no objectors appear to contest the validation. Should objectors appear then the matter may become a contested case and will be delayed in the courts for a year and one half to two years. However, should a contest arise, it is our opinion that this matter should be concluded prior to the bond sale and in lieu of a contest being filed by a contestant after the bonds are sold and delivered.

We estimate the expenses of this confirmation proceedings through a judgment (without contest) to be \$5,000, plus direct costs incurred and filing fees not to exceed \$200.

Rankin Mersereau & Shannon

Mr. David Boyer  
Multnomah County, Oregon  
June 22, 1993  
Page 3

It is our suggestion that in the negotiation for the contract of rental that the contract clearly set forth that the rentals and expenditures for improvements to the temporary facility will be payable from the proceeds of the General Obligation Library Bonds.

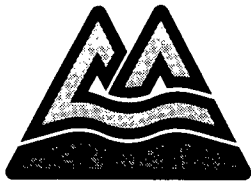
We would be pleased to discuss this in greater detail at your convenience.

Very truly yours,

RANKIN MERSEREAU & SHANNON

  
Howard A. Rankin

HAR:ebm




# MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES  
DIVISION OF FACILITIES AND  
PROPERTY MANAGEMENT  
2505 S.E. 11TH AVENUE  
PORTLAND, OREGON 97202  
(503) 248-3322

MEMO

To: Dave Boyer

From: Jim Emerson 

Date: June 22, 1993

Re: "Cash Flow" on Library Bonds

Per your request, Mike Harrington, Lennie Sobo, and I got together and reviewed what we believe to be the most likely sequence of expenditures on both the Midland and the Central Library projects. We believe that the first 3 years, assuming an issue in July or August 1993, will consume up to \$24 million of the budget: all of Midland, and a large proportion (76%) of Central. We leaned towards including more, rather than less, so if overshooting the target is a problem, you could knock up to \$2 million off of that. We assume that it's preferable to do only one additional bond issue to complete the project, but that if necessary, it could be done sooner than 3 years from now.

If you need estimates by expenditure category (engineering, construction, equipment, etc.) we have them. The biggest unknowns, either of which could DELAY the projects for up to a year, are: Midland - finding a site and negotiating to closing; Central - the issue of the validation suit, particularly if a definite alternative location needs to be identified and negotiated first. If unsuccessful, the suit would merely delay the project up to a year. If successful, the suit could result in a net savings of about a year (lose a year up front, gain two back in construction.)

Obviously, such delays would cause the cash flow to look quite different.

cc: F. Wayne George  
Mike Harrington  
Lennie Sobo  
Ginnie Cooper