

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
AUGUST 15, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1988<sup>th</sup> meeting of the Milwaukie City Council to order at 7:03 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Mike Swanson, City Manager	JoAnn Herrigel, Community Services Director
Gary Firestone, City Attorney	Katie Mangle, Planning Director
Kenny Asher, Community Development/Public Works Director	Alex Campbell, Resource & Economic Development Specialist

**PLEDGE OF ALLEGIANCE**

**Mr. Swanson** reported the Council convened in executive session during the work session. It was now formally out of executive session, and the work session was adjourned.

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**Announcements**

**Mr. Asher** introduced **Gavin Hales**, Transportation Liaison, who would spend time in the community talking about transportation issues from traffic to light rail to bus.

**Mayor Bernard** recognized **Margaret Sandberg** on her 100<sup>th</sup> birthday and congratulated **Evan Drake** of Troop 376 and **Nathan Enos** and **Benjamin Novak** of Troop 144 on attaining the rank of Eagle Scout.

**Mayor Bernard** presented Ms. Herrigel with \$1,000 checks from Celebrate Milwaukie, Inc. and Bernard's Garage for the Riverfront Park. **Mr. Zumwalt** expressed his appreciation to the Riverfest volunteers and particularly recognized City employees Beth Ragel, Willie Miller, and Mike Clark.

**Downtown Parking Implementation Update**

**Ms. Mangle** updated the Council on downtown parking issues and asked that it consider adopting the Downtown Parking and Traffic Management Plan (the Plan) at a future meeting. A consultant team with a lot of downtown business and neighborhood involvement led the effort. The work was a combination of data collection and some analysis of the traffic and parking situations at the time. It resulted in a set of guiding and operating principles for traffic management and a strategy for managing parking as the downtown changed over time. It followed in the footsteps of the Downtown and

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Riverfront Land Use Plan, so the current growth was anticipated. In October 2005, Council directed staff to implement the Plan and approved one of the guiding principles, which was that downtown employees and visitors should be prioritized over park-and-ride users.

The guiding principles were the values that were brought to the process, and Ms. Mangle outlined what she felt were the most important. #1 -- The most convenient parking should be reserved for visitors to City Hall and downtown businesses. #5 was about developing and promoting access by many modes as was being done with the 3 Bridges Project for bike connections and not just focusing on autos. #7 was to provide sufficient employee parking to promote a healthy downtown. #10 was minimizing parking and traffic impacts to the neighborhoods. #12 was to remove the park-and-ride and bus staging from City streets. There were other guiding principles, but she thought these showed a concerted effort by the City to take a balanced approach to understand development impacts and ensure there was parking to support the development.

**Ms. Mangle** discussed the 85% full standard, which was a trigger to manage parking. When 85% of the parking spaces downtown were occupied during peak periods an assessment would be triggered. Over time the City should be able to strategically manage the existing parking supply.

The third element of the Plan was the Central Business District (CBD) Parking District that was essentially between Scott Street and Lake Road. It defined the core where the demand for parking would occur. Adopting that District would allow the City to focus its more stringent parking policies in that area acknowledging that it was different from the downtown neighborhood and the area to the north.

Overall this was about a management strategy and the values stated in the guiding principles. Though there were some specific ideas about changing the parking zones and permitting system, it was important that the Plan did not contain all the answers. As the downtown evolved the City would have to make choices, and it was good to know that the guiding principles were a shared value when those choices were made. She concluded that adoption of those three elements of the Plan would help staff be effective in implementing the Plan.

Staff was taking steps to address parking issues by reviewing the parking issues to better understand the problem. There was not enough parking for downtown employees and visitors. At the beginning there was not really an understanding of how many spaces were available and how many permits were held by people commuting to Portland and as a result taking up spaces that could be used by downtown employees. Projects would continue to have an impact on parking supply, so those were issues that needed to be addressed in the short term.

An interdepartmental group was formed to develop and implement solutions to some of these problems. For example, when the City decided to convert the old Texaco site to a parking lot, that group worked to make it happen. It would continue to identify other changes such as re-stripping parking lots or changing signs.

The group then tackled the problem of having the correct data. The departments now had a map identifying the spaces, the length of parking allowed, and private parking lots. There was now a better understanding of the amount of public and private parking, and the data can be used as change is discussed.

Staff conducted a utilization study by counting cars to determine which spaces were being used and provides information for the 85% full threshold. The study showed it was generally full near City Hall and the Library, and the findings will be used to determine how parking might be distributed to meet people's needs. The team developed a list of downtown employers and people who would be affected by changes

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to improve communication. The City was also finally able to identify which permit holders were commuting to downtown Portland. That information could be used in different ways to adjust pricing and things of that nature.

In summary the current work was focused on doing a better job managing the supply. In the near term staff was prepared to make some changes based on what was learned from the utilization study and how parking was allocated to address some of the issues in not just the whole downtown but in by subareas. For the near term, the City needed to get the most out of its limited supply, and the team had ideas for doing that. In the longer term, the City needs to understand what would support the growing downtown. It would help staff to know that there was a backbone of guiding principles supported by the Council.

**Councilor Stone** was curious based on map what the capacity was of private parking and full capacity available versus street parking versus City-owned lot parking.

**Ms. Mangle** responded that approximately 1,462 spaces had been identified with 672 in private lots.

**Councilor Stone** referred to the guiding principles and the discussions about relocating the TriMet staging area behind City Hall. She would like to commit to a timeline in the Plan. It would be nice to have a goal.

**Ms. Mangle** replied a lot of this was near term, and the City was behind in other areas. The Safeway lot was already closed, and some things recommended in the Plan had not been accomplished. Timelines could be something to consider.

**Councilor Stone** commented on employee parking in #8. It said that if the 85% full standard were exceeded, then employee parking must be eliminated/phased out first. That sounded harsh to her. She did not want the message to go out that people would be displaced. She did not want the message to come across in a negative way. Some one reading this might get a little excitable.

**Councilor Barnes** thought it might be a good time to discuss the Library parking situation.

**Ms. Mangle** reported the City was expanding the Library parking lot to the north and east to add 15 – 20 new parking spaces. It was not touching the park land. Some trees would be removed or relocated, but in the end there would be more trees than there were today. The new parking lot would be developed to current City standards.

**Mr. Shirey** reported it was designed and some of the work was being done on the perimeter sidewalks. He thought the project would be completed in a matter of weeks.

**Councilor Barnes** thanked Mr. Shirey for his update. She had brought it up so people would hear that the current Library parking problem was being rectified. The parking lot plan would be displayed at the Farmers' Market community booth.

**Councilor Collette** asked Ms. Mangle if it had been determined in the utilization study how many spaces in the private lots were used on a regular basis.

**Ms. Mangle** did not have the full results, but in generally looking at the whole downtown about 50% of the parking spaces were occupied at mid-day.

**Councilor Collette** thought there might be some flexibility with the private lots.

**Ms. Mangle** replied there was not one single answer, and there were tools at the City's disposal such as shared parking, permit costs, and angled parking versus parallel.

**Mayor Bernard** commented on liability associated with private parking lots, and most private parking lots were taken except at the north end by Pietro's and the bowling alley.

Reliable Credit employees for example were beginning to purchase permits. He thought there could be an education component. He discussed how time consuming it was for employees to move their cars every two hours. Parking was one of the most frequent comments at the Market, and he felt strategic parking management was the key. Once TriMet was through the Land Use Board of Appeal (LUBA) process, the Southgate park-and-ride would open up a lot of opportunities.

### **Transportation Discussion – Are We Meeting Our Goals**

Lake Oswego Councilor **Lynn Peterson** was a representative on the Joint Policy Advisory Committee on Transportation (JPACT), which was the regional decision-making body that allocated money for projects under the Regional Transportation Investment Program using federal gas tax money. Some of those projects included sidewalks, Lake Road improvements, and the continuation of the Environmental Impact Study (EIS) on light rail. Transportation Oriented Development (TOD) funds were also part of the program.

The region, state, and federal governments were all short on transportation money to carry out traffic calming projects, maintenance, transit, and highway construction. Transportation projects were not simply laying down asphalt to move cars but to create communities. They were done to create economic development opportunities, to improve the environment, and recreate and build up community. Regional travel delay has gone up 70% from 1992 to 2002, and a lot of that had to do with population growth in the region. Congestion has decreased a bit in the past three to four years due to the recession, and there have been few air quality issues since 1989. The capacity of the roadway system has been maintained by putting money into transit and alternative modes, so only about 10 highway lane miles were added to downtown Portland.

Ms. Peterson reviewed the Oregon Transportation Plan. Most of the system was in good condition. With the Port, the region was able to connect to the world economy, and ODOT and TriMet have been using innovative technology. Sustainable fuel options were in place and being used. Population needs would change as the percentage of seniors increased. The number of miles driven per person per day has stabilized in the Portland area and would likely only increase by about 1.5%. Transit demand was increased in major metropolitan areas as well as small cities. She reviewed a graph showing the vehicle miles traveled per person. Because Portland remained a compact urban area with transportation options, people did not have to spend so much time in their cars. She compared miles traveled in Portland with those of San Antonio, Kansas City, and others. This was a good region for transit. The average weekday ridership over the past 10 years has grown by about 65% with the population growing about 27%. The number of TriMet boardings was similar to Seattle and Baltimore although the service area was much smaller.

The Oregon budget funded three basic functions with about 85% going to health care, schools, and public safety. Only about 7% of the state budget went to transportation. Ms. Peterson addressed the gas tax issue. Between inflations and fuel efficiency in 1970 the gas tax was about 2.6¢, and now it was about 1.3¢. The gas tax was currently 23.5¢ per gallon. If the transportation system is not maintained at a certain level, then it will cost more in the future to rebuild the roadbed. Systems need to be maintained at a high level in order to be efficient in the future. Some jurisdictions have had to go to a transportation utility fee in order to maintain their roads. The state predicts \$50 million will be needed just to maintain the roads. Right now there was \$26.5 million for the entire state. The Hwy. 217 policy advisory committee recommended adding a third lane in each direction and re-do the interchanges. Those projects were estimated to cost \$500 million for seven miles. That project would be complete in 2089 with current funding levels. The package of needed improvements in the state was \$8.6 billion. The

JFACT finance committee asked staff how much portions of five major highway projects would cost, and those were estimated to \$3.6 billion which equaled a state wide gas tax increase of \$0.34 per gallon.

In order to build the transportation system to an acceptable level of service it would cost about \$4.7 billion, but the anticipated revenue to 2015 was \$2.9 billion with an assumed gas tax increase. At this point there was little to bond against. Over the next 25 years spending power will be reduced by 40 – 50%, and there will be only enough money for maintenance and some safety improvements. There was a lot of talk about toll roads, and three projects were being discussed: Dundee/Newberg bypass, Sunrise from Rock Creek to I-205, and an additional lane on I-205 south between Oregon City and I-5. The four-mile Sunrise piece would not likely pay for itself, so it was not really an option. They were also looking at tolling all of I-205, but there were many ways to get around it. The Newberg/Dundee option would probably move forward the fastest. The state could bond against future increased gas taxes, or there could be a similar effort on the local level. She was concerned about the move away from funding state, regional, and local programs to just funding short lengths of highway. There were a lot of neighborhood projects that people wanted including sidewalks, traffic calming, and safe routes to school projects that cannot be done because the transportation program was withering on the vine. Cities also had the ability to look at system development charges (SDC), but many cities in Clackamas County were built out. For new cities like Damascus, SDCs will be a good tool.

Milwaukie did well in the last round of MTIP funding because Milwaukie was ready and the region was ready to help. Now the region needed to look for the next city that needed the economic push. It was important that Clackamas County worked as a whole because the resources were so limited. Mayor Bernard was a great partner at JFACT. The highway trust fund looked like it would be running out of money in 2009, so the federal and state governments would not be there as partners.

## **CONSENT AGENDA**

**It was moved by Councilor Barnes and seconded by Councilor Stone to approve the Consent Agenda:**

### **A. City Council Minutes:**

1. June 6, 2006 Regular Session
2. June 20, 2006 Work Session
3. June 20, 2006 Regular Session
4. July 6, 2006 Work Session

**B. Resolution No. 37-2006: A Resolution of the City Council of the City of Milwaukie Amending an Intergovernmental Agreement (IGA) with the Metropolitan Area Communications Commission (MACC) to Decrease the Rate of Franchise Fee Revenue that the City Pays MACC for Comcast Contract Administration from 28% to 23%, Extending the Term of the Agreement to December 31, 2009, and Authorizing the City Manager to Sign the Agreement;**

**C. Authorize the City Manager to sign an Intergovernmental Agreement with Clackamas County for Pedestrian Improvements at 37<sup>th</sup> Avenue and Oak Street; and**

**D. Railroad Crossing Improvements on 37<sup>th</sup> Avenue and Oak Street, Intergovernmental Agreement with Clackamas County.**

**Motion passed unanimously. [5:0]**

**AUDIENCE PARTICIPATION**

None.

**PUBLIC HEARING****Solid Waste Rate Increase – Resolution**

**Mayor Bernard** called the public hearing on the proposed garbage rate increase to order at 7:58 p.m. The purpose of the hearing was to consider public comment on the proposed increase.

**Ms. Herrigel** requested that the Council adopt a resolution increasing residential garbage rates by \$1.16 per can per month and modifying the Milwaukie's garbage rate schedule for drop box service. The City receives annual financial data from each of its haulers on the cost of providing service and revenues generated. These were consolidated, and the rate of return was calculated. The two applicable criteria were that to the greatest extent the rate in the City of Milwaukie should be based on cost of service, and the rate of return should be within a range of 8% to 12%. The consolidated rate of return for 2005 was 6.99% which was lower than the 10% target outside the 8% to 12% range. When one looked at each of the sectors – residential, commercial, and drop box – the lowest rate of return was drop box at 1.28% followed by residential at 7.74%. The commercial return was healthy at 9.26%. In addition staff compared the rates with neighboring jurisdictions. The proposal she forwarded to Council from the haulers was to increase residential garbage rates by \$1.16 per can per month and \$0.27 for on-call and monthly customers and allow the haulers to pass through the 5% franchise fee for drop box service and 10% rate of return to their customers effective September 1, 2006. At last minute decided she had not given enough thought to discuss drop box fees, so the haulers agreed to give her one more month to come up with an additional proposal. The last increase in the City was 2.79% across the board in 2004. She provided a sheet comparing current and proposed rates. The intent was to keep the increase as low as possible without jeopardizing next year's rate of return in 2006 considering variable such as fuel, insurance, and disposal costs.

**Mayor Bernard** suggested spreading the costs evenly across residential and business and continuing the hearing to a date certain so this matter could be considered more fully.

**Ms. Herrigel** said the proposal was to adopt the \$1.16 residential increase at this meeting effective September 1 and to consider drop box rates at the next meeting. The costs for residential and commercial were established so that one did not subsidize the other. This increase reflected a need specifically for residential rates. Since this did address cost of service, she recommended adopting the residential rate and considering the drop box rate in a month.

**Councilor Stone** asked if the potential drop box rate would reduce the residential rate.

**Ms. Herrigel** reviewed the process of renting a drop box. The customer is billed for the drop box plus a the disposal costs for the material. The franchise fee seemed to affect the actual rate of return for the haulers about which she would provide more information.

**Councilor Collette** asked what rate of return the haulers could anticipate with the \$1.16 increase.

**Ms. Herrigel** replied the projected results for 2006 was 10.68%. Rate changes were not typically based on projections but rather rate of return.

**Councilor Stone** asked if high fuel costs had the greatest impact on the rate of return.

**Ms. Herrigel** said the cost of fuel one element along with disposal and insurance costs.

**Councilor Stone** referred to the monthly and on-call residential customers and asked why their increase was only \$0.27. She did not think that seemed fair.

**Ms. Herrigel** replied the financial consultant attempted to distribute it across all the rates in order to recoup the rate of return. It was more equitable yet somewhat arbitrary. The \$0.27 per call was proportional to one can, yard debris, and recycling picked up four times per month.

**Councilor Stone** understood the last increase was in 2004, and she was surprised that there needed to be an increase just two years later.

**Ms. Herrigel** replied that increases came about every two years.

**Councilor Loomis** asked Ms. Herrigel to explain once a month and on-call service because people might not know they could take advantage of that type of service.

**Ms. Herrigel** replied residential collection could be once a week, once a month which was \$7, or on-call. Generating less waste was encouraged, but if one simply wanted to save money while generating the same amount of garbage there could be code enforcement issues. There could also be a problem if the garbage was being so compacted that it was difficult to get out of the can.

**Councilor Stone** asked how Milwaukie's rates compared to other jurisdictions.

**Ms. Herrigel** replied that Milwaukie's rates were the same or a bit lower.

There was no correspondence received on this matter, and there was no public testimony.

**Mayor Bernard** closed the public comment portion of the hearing at 8:18 p.m.

**Mr. Firestone** recommended changing the title of the resolution by deleting 'rescinding Resolution #26-2004 and....'

**It was moved by Councilor Stone and seconded by Councilor Collette to approve the resolution adopting new rates for garbage service in the City effective September 1, 2006. Motion passed unanimously.**

#### **RESOLUTION NO. 38-2006:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE ADOPTING NEW RATES FOR GARBAGE SERVICE IN THE CITY EFFECTIVE SEPTEMBER 1, 2006.**

## **OTHER BUSINESS**

### **A. PCC Structurals Enterprise Zone Application -- Resolution**

**Mr. Campbell** reported enterprise zone program was established in the mid-1980's to encourage industrial development and employment. In 1997 the Cities of Portland and Milwaukie and Clackamas County jointly sponsored the Milwaukie/North Clackamas Enterprise Zone which was expanded in 2005. The enterprise zone was located in what is known as the North Industrial Area and along Johnson Creek Boulevard. The five-year exemption on new investment required a wage of 150% of the county median for the new employment. With the 10% employment increase the authorization was provided by statute. The statute allowed that if an investment was worth \$25 million or more, then the local jurisdictions could waive that 10% employment increase. In this case the applicant requested and staff supported that waiver. PCC Structurals has

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2,000 employees in the enterprise zone, and it would be difficult to project what form the hiring would take.

**Mr. Taramura** said PCC Structural manufactures airline engines and supplied product to Boeing and Lockheed Martin. The company was in a significant growth period, and it was adding buildings and facilities in the Milwaukie area. Space was leased in the Mailwell district because of its proximity to the existing plant. Last year 350 people were added, and this year PCC Structural will likely add another 150-200 people. The new airplanes were requiring more fuel-efficient engines, and these were helping fuel PCC's growth. The important thing now was to ensure there was a facility in place and people to hire. Most employees did not come from out of state, and the company was pulling technical people from other industries like Intel. He saw continued growth over the next five years and encouraged Council support.

**Councilor Barnes** thought it was important that the annual salary was \$54,000 because that was a good sign when talking about 400 new jobs. This was part of the City's economic development that meant good things not only for PCC Structural but also for people to have good jobs with good wages. That helped the City strengthen its tax base. This was a good scenario for Milwaukie, and the company was a strong economic partner.

**Councilor Stone** understood with the establishment of the zone and the investment in this project that the tax benefits to the City would not be recovered for five years.

**Mr. Campbell** said that was correct. The application was for a five-year abatement. As Councilor Barnes mentioned the wages fulfilled the statutory requirements and intent of the program.

**Councilor Stone** asked what the tax revenue would be at the end of the five years.

**Renate Mengelberg**, Clackamas County Business and Economic Development, got preliminary information from the County tax assessor's office indicating the impact was \$434,388 over a five-year period. That was the total abatement the company would receive over the five-year period.

**Mr. Swanson** reminded the Council this was only a partial abatement, and PCC Structural would still be contributing tax revenues.

**Ms. Mengelberg** added the enterprise zone only affected the equipment and improvements to the existing building. The City would still receive tax revenues from the land and existing structures and machinery.

**Mr. Campbell** added that the investments would be made at multiple locations within the enterprise zone.

**It was moved by Councilor Barnes and seconded Mayor Bernard to adopt the resolution supporting the enterprise zone application by PCC Structural. Motion passed unanimously. [5:0]**

**RESOLUTION NO. 39-2006:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SUPPORTING AN ENTERPRISE ZONE APPLICATION BY PCC STRUCTURALS, INC., WAIVING THE STATUTORY REQUIREMENT TO INCREASE EMPLOYMENT BY 10 PERCENT.**

**B. Council approval of Motion Continuing Consideration of Amendment to Milwaukie Municipal Code**

Mr. Swanson reported this was an action subsequent to an action taken on June 20, 2006 when the Council considered a number of proposed amendments to the Milwaukie Municipal Code (MMC) and Comprehensive Plan. Several of those were housekeeping and others had to do with major utility siting such as wastewater treatment facilities. Two of the proposed sections dealt with the issue of the Kellogg Creek Wastewater Treatment Plant. They proposed that the plant be declared nonconforming use and established a deadline for its removal. The Planning Commission recommended the action on May 23, 2006. Mr. Swanson recommended at the June 20 meeting that adoption of those two provisions be deferred in light of the fact that the Citizen Advisory Council (CAC) was midway in its process of developing a strategic plan for wastewater treatment. Adoption at the time would not have been appropriate, so the consideration of those two code amendments was continued. The CAC process was still under way and would be completed by September 30, so he recommended consideration of the amendments to MMC Sections 19.321.7 and 19.321.3 be deferred until October 17, 2006. This can be done by a motion to continue consideration to a date certain, a second, and majority vote of the City Council. Right after the Comprehensive Plan action on June 20 the Service District to preserve their rights should things not work out. The LUBA appeal was stipulated by both parties that is was on hold until October. The recommended Council action would be consistent with the LUBA appeal

**It was moved by Councilor Collette and seconded by Councilor Loomis to continue consideration of the Planning Commission recommendation to amend MMC Sections 19.321.7 and 19.321.3 to October 17, 2006. Motion passed unanimously. [5:0]**

Mr. Firestone clarified for the record that the Council had gone into executive session pursuant to ORS 192.660.2(h) for the purpose of discussing litigation with counsel.

**B. Council Reports**

**Councilor Barnes** would attend the State of the Schools address on August 23 at the Chamber. She had been invited by the Department of Education to participate as a representative of professional and technical teachers in addressing the State Board of Education. She would attend the Lewelling Neighborhood District Association picnic.

**Councilor Collette** was compiling notes from the meeting of a group people interested in forming an Arts Commission and would share those with the Council. She announced the Ardenwald summer concert series.

**Mayor Bernard** announced the Clackamas County Fair, Wednesday Scott Park concerts, and the Sunday Farmers' Market. He discussed his concept for an Unsung Hero Award for future Council discussion.

**ADJOURNMENT**

**It was moved by Councilor Barnes and seconded by Councilor Collette to adjourn the meeting. Motion passed unanimously. [5:0]**

**Mayor Bernard** adjourned the regular session at 8:43 p.m.

  
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 Pat DuVal, Recorder

# AGENDA

## MILWAUKIE CITY COUNCIL AUGUST 15, 2006

**MILWAUKIE CITY HALL**  
10722 SE Main Street

**1988<sup>th</sup> MEETING**

### REGULAR SESSION – 7:00 p.m.

- I. **CALL TO ORDER**  
Pledge of Allegiance
2. **PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**
  - A. **Downtown Parking Implementation Update (Katie Mangle)**
  - B. **Transportation Discussion – Are We Meeting Our Goals (Lake Oswego Councilor Lynn Peterson)**
3. **CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the “Consent” portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*
  - A. **City Council Minutes**
    1. **June 6, 2006 Regular Session**
    2. **June 20, 2006 Work Session**
    3. **June 20, 2006 Regular Session**
    4. **July 6, 2006 Work Session**
  - B. **Railroad Crossing Improvements on 37<sup>th</sup> Avenue and Oak Street, Intergovernmental Agreement with Clackamas County**
  - C. **Janitorial Contract Award – Diversified Abilities**
  - D. **Amendments to Intergovernmental Agreement with Metropolitan Area Communication Commission -- Resolution**
  - E. **Authorization to Proceed with a Phased Remodel/Expansion of the Johnson Creek Facility**
4. **AUDIENCE PARTICIPATION** *(The Presiding Officer will call for statements from citizens regarding issues relating to the City. Pursuant to Section 2.04.140, Milwaukie Municipal Code, only issues that are “not on the agenda” may be raised. In addition, issues that await a Council decision and for which the record is closed may not be discussed. Persons wishing to address the Council shall first complete a comment card and return it to the City Recorder. Pursuant to Section 2.04.360, Milwaukie Municipal Code, “all remarks shall be directed to the whole Council, and the Presiding Officer may limit comments or refuse recognition if the remarks become irrelevant, repetitious,*

*personal, impertinent, or slanderous.” The Presiding Officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.)*

5. **PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

#### **Solid Waste Rate Increase – Resolution (JoAnn Herrigel)**

6. **OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

- A. **PCC Structurals Enterprise Zone Application – Resolution (Alex Campbell)**
- B. **Council Approval of Motion Continuing Consideration of Amendment to Milwaukie Municipal Code (MMC) Sections 19.321.7 and 19.321.3 (Mike Swanson)**
- C. **Council Reports**

7. **INFORMATION**

**Public Safety Advisory Committee Meeting Notes, July 27, 2006**

8. **ADJOURNMENT**

#### **Public Information**

- Executive Session: The Milwaukie City Council may meet in executive session immediately following adjournment pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.



**To: Mayor and City Council**

**Through: Mike Swanson, City Manager**  
**Kenny Asher, Community Development and Public Works Director**

**From: Katie Mangle, Planning Director**

**Subject: Downtown Parking Management Update**

**Date: August 4, 2006 for August 15, 2006 City Council Regular Session**

### **Action Requested**

This is an update and discussion item regarding the City's strategy to manage parking in downtown Milwaukie. Staff is proposing that the Council adopt all or part of the *Downtown Parking and Traffic Management Plan* at an upcoming meeting.

### **Background**

#### *Previous Council Direction*

In 2003, the City worked with downtown businesses and residents to develop the *Downtown Parking and Traffic Management Plan*. It included data on traffic and parking conditions, Guiding Principles for parking management, and a strategy for managing parking to support the revitalization of downtown. On October 18, 2005, Council confirmed the recommended policy to prioritize business and visitor parking over commuters, and directed staff to continue to develop a strategy and implementation plan.

#### *The Downtown Parking and Traffic Management Plan*

Specifically, the *Downtown Parking and Traffic Management Plan* includes three important elements:

1. Guiding Principles (see attached, page 37 from the Plan)
2. The "85% Full" management strategy (see attached, page 44 from the Plan)

This management strategy sets a threshold at which the City needs to evaluate the supply and management of parking, and implements changes. For example, when an area becomes full, as a result of use or development changes, the City may need to increase the amount of short-term parking, or increase the cost of permits. There are many possible solutions, and using the Guiding Principles, the City can implement changes over time to manage parking and support downtown activity.

3. CBD Parking District boundaries (see attached, page 43 from the Plan)

The *Downtown Parking and Traffic Management Plan* was completed in 2003 and presented to Planning Commission and City Council in a joint work session. The Plan is not a master plan for parking supply. Rather, it lays out a management strategy. Every year or two, the City will need to evaluate parking needs and proposed changes. The Guiding Principles and management strategy in the Plan create a trigger and framework for making such changes.

Adoption of the Plan, or the three elements of the Plan outlined above, would give staff clear direction for managing parking in downtown Milwaukie. As such, staff is preparing to bring the Plan to Council for adoption.

#### *Recent Activity*

Following Council's direction in 2005 to take steps to implement the downtown parking strategy, over the past few months, the City's Planning Director and Parking Manager worked together to identify steps for managing parking in downtown. In the past few months, staff has:

1. Reviewed downtown parking issues and solutions for short term and long term.
2. Formed an inter-departmental Downtown Parking Working Group, which includes representatives of the Community Development, Planning, Engineering, Facilities, Streets, and Community Services departments, to address and act on parking issues. For example, this group jumped into action to create the temporary parking lot on the site of the former Texaco station. This group will continue to support the Parking Manager as the City implements changes to the parking system.
3. Created a GIS map and database of all existing parking locations and zones in the downtown. This tool will help us inventory the supply of parking, track utilization, plan for changes, manage the supply, and communicate with businesses and citizens.

4. Conducted a utilization survey of downtown parking. This information is required to use the “85 percent full” management strategy recommended by the Plan.
5. Developed a contact list for downtown businesses to facilitate communication about parking and other changes in the future.
6. Identified parking permit holders who are commuters to Portland, not downtown employees. This has allowed the City to restrict commuters from the new temporary Olsen site parking lot.
7. Required Key Bank to construct bulb-out and angled parking on one block of Monroe Street, as public improvements for their development project. This will implement the Downtown Plan on the Key Bank frontage, and will nearly double the number of parking spaces on that block face.

### *Short-term Changes*

In addition to the above list, staff is taking steps to implement the recommendations in the *Downtown Parking and Traffic Management Plan*. We have identified steps the City can take in the near-term to maximize the use of the existing supply of on-street parking, prioritize downtown businesses and visitors, change parking zones to provide long-term on-street parking and support downtown activity, and create an enforceable parking system.

Specifically, the short-term workplan will focus on identifying changes needed as a result of the August 2006 parking utilization study. The results of this study are forthcoming, but staff anticipates that changes may include:

- Identifying changes to the existing parking zones.
- Restricting permits, or increasing the cost of permits, for those who do not work in downtown Milwaukie.
- Communicating proposed changes with downtown businesses and neighbors.
- Beginning a project to locate and fund future off-street parking.

### **Concurrence**

There is currently no action with which to concur. The Planning Director is developing parking management steps in cooperation with the Community Development and Public Works Director, Engineering Director, Operations Director, Parking Manager, and Streets Supervisor. The Planning Director is also coordinating with the Library Director with respect to the parking needs of the Library staff. The Engineering Director and Parking Manager concur that adoption of the Plan will help staff manage downtown parking and traffic more effectively.

### **Fiscal Impact**

None at this time, because this report is only for discussion. Future changes to the parking system, such as replacing signs, re-striping spaces, or developing parking supply, will require City expenditure. Some changes, such as increases in parking permit fees may increase City revenue.

### **Work Load Impacts**

Implementing the parking management plan will require focused work from both the Parking Manager and the Planning Director. For the Planning Director, work on the Downtown Parking issues may detract from time spent on other long-range planning and code maintenance projects. If Council adopts the *Downtown Parking and Traffic Management Plan*, staff will have clear direction on the City's policies and will be more efficient while implementing the Plan.

### **Alternatives**

None, as no action is requested.

### **Attachments**

1. Excerpts from *Downtown Parking and Traffic Management Plan*
  - Guiding Principles
  - Chapter 5, Parking Management Program (recommendations)

## Attachment 1

### Excerpts from Downtown Parking and Traffic Management Plan

- Guiding Principles
- Chapter 5, Parking Management Program (recommendations)

# ATTACHMENT 1

## Guiding Principles

With an understanding of existing and forecast supply, utilization and use characteristics, Guiding Principles were developed to assist the City with managing the parking system in downtown Milwaukee.

### Customer/Client/Vendor/Visitor Parking

1. The most convenient parking spaces should be reserved to support customer/client/vendor/visitor access to downtown. Management of the on-street parking system should promote customer/visitor accessibility by making the priority user the short-term patrons of downtown Milwaukee.
2. The City of Milwaukee is responsible to provide sufficient short-term parking (using the 85-percent-full standard) to support the downtown Milwaukee Framework plan. The City will use its legislative resources to manage long-term employee parking and partner with local, regional, and state entities when necessary to fulfill these responsibilities.
3. On-street parking should be preserved in the downtown core area to improve customer/visitor accessibility and to facilitate revitalization of street level activities. On-street access should take priority over street capacity and vehicle speeds.
4. The City will take steps to address problems with long-term parkers "moving to evade" in short-term parking facilities in the downtown.

### Multi-Modal Access

5. The City should strive to create and implement as many access options as possible and provide a *balanced* access system that includes transit, automobile, bicycle, and pedestrian facilities and services, for all users of the downtown.
6. Parking management strategies and programs should support and complement all access modes.

### Employee Parking

7. Sufficient parking (using the 85-percent-full standard) should be provided to meet employee demand, in conjunction with an access system that provides balanced travel mode options. All parking strategies should be coordinated with transportation demand management goals and objectives to ensure that employees and customers have reasonable options available for access.
8. If parking in the downtown area exceeds the 85 percent full standard, employee parking must be eliminated/phased out first. Incentives should be offered to businesses that have designated private employee parking or otherwise shift their employee parking outside of the downtown parking area. Access management strategies should move larger numbers of employees into alternative modes over time.

9. The City's public information system should provide a clear and consistent message about car parking and access to and within downtown in order to optimize utility and convenience for all users.
10. The downtown parking supply should be managed to minimize customer/client/visitor and employee parking and traffic impacts to adjacent residential neighborhoods.

**Park-and-Ride/Transit**

11. Park-and-ride lots will be eliminated from downtown Milwaukie. Existing park-and-ride lots will be transitioned out of the core, and the City of Milwaukie staff will work with Tri-Met to facilitate moving existing park-and-ride lots.
12. The existing Tri-Met bus staging facility behind City Hall will be relocated outside of the downtown Milwaukie core. Buses should serve downtown, but may not stage downtown. The purpose and priority for transit stops in the downtown area is to provide safe, convenient business friendly access for downtown users, customers, and employees.

**Quality of Parking**

13. Safe, secure, well-lit parking shall be provided in the downtown core to allow a sense of security when parking at all times on street and off-street. Each public off-street lot shall be adequately maintained so as to not deter potential users based on poor lot pavement quality or perceived security issues.

**Section 5**

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Parking  
Management  
Program



## Parking Management Principles

The Guiding Principles are the statements directing parking policy in Milwaukie. The Operating Principles define the purpose and priority for parking in each of the Parking Management Zones and provide a specific level of direction to address issues that may occur. The operating principles complement and reinforce the Guiding Principles established for the downtown.

Two parking management zones (see Figure 8) were identified within downtown Milwaukie: the Central Business District (CBD) and Non-Central Business District (Non-CBD). The CBD is the location of the majority of businesses and typically experiences the highest parking demand. The Non-CBD in this case, is the residential area surrounding the downtown core of Milwaukie. The Non-CBD area is likely to experience lower parking demand; however, if the CBD is not properly managed, the Non-CBD study area could experience negative parking spillover effects from the Milwaukie CBD.

The following outlines the parking management principles identified for downtown Milwaukie.

### **PARKING INFRASTRUCTURE OPERATING PRINCIPLES**

- On-street and off-street parking will be safe, convenient, economical, and strategically linked to the pedestrian system to ensure user-friendly access.

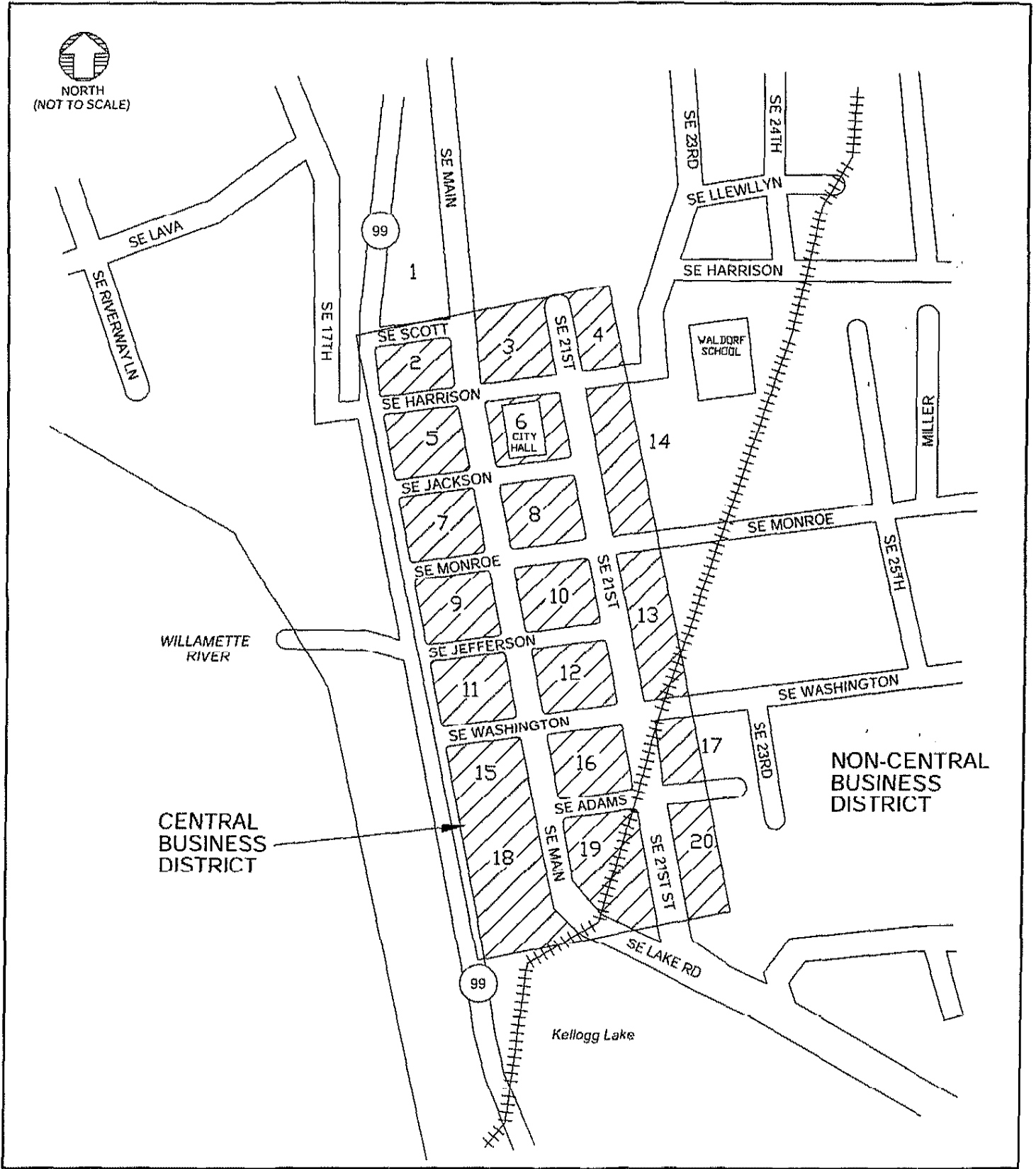
#### **CBD Operating Principles**

##### *On Street Parking*

- The purpose of, and priority for, on street parking in the CBD is to support and enhance the vitality of the retail core.
- On street parking in the CBD will be prioritized for short-term parking. Short-term parking is defined as parking with time-stays less than or equal to four hours.
- Parking will be provided to ensure convenient, economical, and user-friendly access for customers, clients, and visitors to downtown.
- There will be no un-regulated on-street parking in the CBD. Over time, on-street parking will be transitioned to serve exclusive short-term visitor parking.

##### *Off-Street Parking Public*

- Off-street parking in the CBD will be regulated and managed to provide a balanced mix of short-term and long-term stay opportunities for visitors, residents, and employees of downtown Milwaukie.
- Over time public off-street parking will be transitioned to server a higher mix of short-term visitor parking demand. Alternative mode options will be developed to support this transition.



## DOWNTOWN MILWAUKIE PARKING MANAGEMENT ZONES

DOWNTOWN MILWAUKIE PARKING  
& TRAFFIC MANAGEMENT PLAN  
JUNE 2003

FIGURE  
**8**



**Non-CBD Operating Principles**

- Parking outside of the CBD is intended to meet demand generated within the zone. Parking in this zone is unregulated. As such, no time stay restrictions are in effect. Future management strategies assumed for this area would be contingent on the parking activity, capacity, and utilization of the CBD zone.
- If parking spillover from the CBD Zone results in inadequate parking availability for land uses within the Non-CBD Zone, Residential Permit Zone programs may be desired and implemented.

**PARKING MANAGEMENT STRATEGIES**

Parking management strategies are techniques to assist the City with optimizing the use of existing parking and prepare for future parking conditions in Milwaukie. The strategies range from recommendations for policy statements in the zoning code to time-stay conversions of specific spaces. The recommendations are organized as follows:

- Policy Recommendations
- Near-Term Management Recommendations
- Mid-Term Management Recommendation
- Long-Term Management Recommendations

**POLICY RECOMMENDATIONS**

The following policy elements have been included to ensure that the goals of the parking management plan can be achieved by incorporating parking system management into the City's development policy.

**Application of the 85 Percent Full Standard**

The *85 percent full* standard, identified in the Guiding Principles as the threshold for decision-making, becomes the unifying monitoring device connecting the various policy elements. Whenever peak hour parking utilization reaches 85 percent, an evaluation of strategies is automatically triggered.

The 85 percent standard is first and foremost a benchmark that causes an evaluation of the system to occur. One possible consequence could be that no strategies need to be implemented if the utilization level is deemed acceptable. However, the trigger provides a proactive system of review and provides time to implement parking management strategies before overly constrained conditions occur.

Because downtown Milwaukie is relatively small, the 85 percent full standard should be applied effectively on a "hot-spot" basis. That is, as small areas of downtown redevelop or become more popular, consideration should be given to parking utilization within the specific area. For example, if a specific block or block face exceeds 85 percent, nearby parking utilization should also be

considered. If nearby parking is available and it is determined that it would address the identified deficiency, then no action may be required even though the 85 percent full trigger has been tripped.

#### **Create Parking Manager**

A key component of any effective management plan is the designated *point person*. The City should appoint an existing staff member as Parking Manager to ensure that the parking in downtown is monitored and adopted strategies are appropriately implemented to pro-actively manage parking in Milwaukie.

#### **Adopt Guiding Principles for Parking Management**

The Guiding Principles provide a framework for managing parking and decision-making in the downtown over time. Once established, Guiding Principles for Parking Management should be adopted by the City of Milwaukie as a policy element of the parking code to inform future management of parking as well as development of future public facilities. Incorporating the Guiding Principles into City policy assures that the intent and purpose for parking management, established through consensus in this study, is carried out over time.

#### **Adopt the Management Zones and Operating Principles**

The recommended Parking Management Zones should be established and adopted as shown in Figure 8. The Operating Principles should be used to guide the evaluation and management of day-to-day dynamics of parking activity. Operating principles are established to describe the primary purposes for parking within each parking management zone and to compliment and reinforce the Guiding Principles established for downtown Milwaukie.

### **NEAR-TERM MANAGEMENT RECOMMENDATIONS**

The following strategies are recommended to address existing parking issues. These strategies can be initiated in the near term (0 to 12 months).

#### **Parking Permit System**

It is recommended that the City of Milwaukie develop a program to more strictly enforce parking permit requirements. This may include ticketing vehicles parked without the appropriate permit. A method to assist in this expanded enforcement program may be gathering residence and employment addresses as part of the parking permit application.

The success of the future parking management program in downtown Milwaukie depends on the success of the parking permit system today. Under existing conditions, some motorists may be parking in permit parking lots without permits displayed. For example, a quick review of the "Chopsticks" parking lot mid-morning on February 14, 2003 showed that approximately one-third of the parked vehicles were not displaying parking permits. Under existing conditions, with ample capacity available in downtown, this is not a problem at all. However, as capacity becomes more constrained in downtown, and it becomes more critical to transition park & ride parkers out of downtown, it will be important for the permit program to already be strictly enforced.

The permit program is also a source of data to assist with managing parking. When motorists register for a downtown-parking permit, mandatory information should include resident address and business address. This information will allow Milwaukie to develop data related to the number of downtown employees and park & riders parking with permits in downtown. This data will be useful to the City as parking management decisions are made relating to changing supply, changing

parking time etc. As time goes on and it becomes necessary to transition park & ride parkers out of downtown, this information will also make it clear as to who should be allowed to receive a permit. Or if a separate fee structure is developed for park & riders, this information will also be valuable. If this data is currently available the City should begin to review and assess the implications of the data. If the data is not available, the City should modify the permit program to make it available.

### Signage Changes

Distinctive, customer-friendly and clear signage should be installed on Highway 99E that informs motorists that downtown Milwaukie is east of Highway 99E. The signs should be located at the north end and south end of downtown and provide directions for motorists to gain access to downtown Milwaukie.

Signage should also be installed to reflect the parking space management changes recommended in Table 12. Over time, distinctive, friendly and clear customer/visitor parking should be designed and installed at all short-term public parking lots. The signs should be "blade" signs with information on both sides so that downtown patrons can read the signs from either direction.

### Parking Space Management Reassignment

It is recommended that the following site-specific changes to the management of on-street parking spaces be evaluated. These suggested changes are based on existing parking management policies, existing peak hour utilization analysis and the adopted parking management plan Guiding Principles. Table 12 describes the proposed changes.

**Table 12 Proposed Parking Management Changes**

Street	Location	Block Face	Action	Net Change	
				Short-Term	Long-Term
SE 21 <sup>st</sup> Street	SE Adams Street to SE Lake Road	East side of street	Convert seven of the southernmost stalls from 2-hour to 8-hour parking	-7	+7
SE 21 <sup>st</sup> Street	SE Adams Street to SE Washington Street	West side of street	Convert all 2-hour spaces to 8-hour spaces	-4	+4
SE Adams Street	SE Main Street to SE 21 <sup>st</sup> Street	North side of street	Convert all 2-hour spaces to 8-hour spaces*	-0	+0
SE Adams Street	SE 21 <sup>st</sup> Street to SE 23 <sup>rd</sup> Street	South side of street	Convert all uncontrolled spaces to 8-hour spaces*	-0	+0
SE Main Street	SE Washington Street to SE Lake Road	West side of street	Convert all 4-hour spaces to 8-hour spaces	-24	+24
City Hall Lot			Convert middle block of lot to customer/visitor parking	+18	-18
<b>Total Net Change</b>				<b>-17</b>	<b>+17</b>

\* Uncontrolled spaces previously assumed as long-term parking

The net impact of converting 17 short-term spaces to long-term parking is an increase in the availability of long-term parking supply. The specific changes involve an increase of 35 spaces at the south end of downtown for employees of the south end of downtown, and 18 spaces for customer/visitor parking in the vicinity of City Hall. Conversion of these spaces on the south end should also reduce the need for employees to “move to evade” as all day parking will now be more readily available.

All of these changes are subject to the 85 percent rule. In the event that the recommended monitoring program reveals future shortages of short-term parking, many of these spaces could be converted back to short-term parking exclusively or short-term parking with long-term permitted parking also allowed.

#### **Transit**

To recapture on-street parking devoted to temporary TriMet bus parking (e.g. north side of Jackson Street from Main Street to McLoughlin, and on the east side of SE 21<sup>st</sup> Street), City of Milwaukie staff should work with TriMet staff to identify alternate locations for temporary bus parking/staging. With bus parking moved to another location (e.g. bowling alley parking lot), the City should re-stripe and sign what once was bus parking as short-term on-street parking. This will result in additional on street customer parking.

Similarly, in the event that the Transit Center does move out of downtown Milwaukie, what was once bus parking should be restriped and signed as short-term parking.

#### **Initiate Plan for New Supply**

The current flexibility in downtown parking stems from the availability of permit parking in the Safeway lot. As downtown employee parking demand grows, park & riders can be transitioned out of this lot, thus making additional downtown parking available for downtown employees. However, when this property redevelops it will be necessary for the City of Milwaukie to have additional parking supply available for the downtown employees currently parking in the Safeway lot. It is recommended that the City include on-site public parking as part of the Safeway redevelopment project.

It is also recommended that the City of Milwaukie undertake a program now to identify location and funding, if necessary, for additional downtown employee parking. Current City plans indicate that the existing Safeway property could be redeveloped within two years. In the event that the property is redeveloped and the existing long-term parking supply is not replaced, 113 parking spaces would be lost. Under existing parking demand characteristics, total peak hour public parking utilization in downtown Milwaukie would grow from 61 to 75 percent. For the long-term only portion of publicly managed supply, peak hour parking utilization would grow from 68 percent to 100 percent, assuming all the long-term demand for the Safeway lot remains in downtown Milwaukie.

If the City does in fact redevelop the Safeway site, and implements the proposed parking management changes as listed in Table 12, peak hour long-term parking utilization would decrease from 100 percent to 96 percent – still exceeding the 85 percent threshold. Therefore, if the Safeway property redevelops and park & riders are still parking in downtown Milwaukie, additional long-term parking supply will be needed in order to achieve the 85 percent threshold. Currently, data

quantifying the number of downtown employees or park & riders parking at the Safeway lot or elsewhere in downtown is not available.

However, converting large amounts of short-term parking to long-term parking (to meet potentially a large amount of non-downtown Milwaukie user needs) is contradictory to Guiding Principle #1 which states "...management of the on-street parking system should promote customer/visitor accessibility by making the priority user the short-term patrons of downtown Milwaukie." The City of Milwaukie should follow the Guiding Principles, Operating Strategies, and Parking Management Strategies when addressing any parking challenge or dilemma in the downtown, such as this one.

Additional supply is possible through shared use agreements with private property holders (e.g. Pietro's or the Waldorf School), to a limited extent converting more short-term parking to long-term parking, or by constructing new supply. In the long-term, both the City Hall lot and the Chopsticks lot are ideal locations for a small parking structure with ground floor retail. Per the City's adopted Downtown Riverfront and Plan, both of these locations are targeted for storefront retail and mixed-use development.

In the near-term, City of Milwaukie staff should begin working to identify locations and funding for downtown employee parking supply to replace employee parking demand currently accommodated<sup>1</sup> in the Safeway lot. It is further recommended that City of Milwaukie staff initiate a program to develop shared use agreements with owners of off-street private parking. The agreements should be developed for both downtown employee parking and for special event parking. In the event that the Safeway lot is redeveloped shared use parking agreements are the first lines of defense to ensuring adequate parking supply for downtown employees.

The City and/or designated representative, such as the downtown business association, can take the lead in developing incentives and initiating contacts with existing property owners. Shared parking arrangements could be initiated between two private developments, or between the private owner and the City. Some options/incentives to facilitate shared use parking agreements include: facility upgrades (e.g. lighting, striping, pavement, landscaping); leasing arrangements; revenue sharing; or purchasing.

#### **MID-TERM MANAGEMENT RECOMMENDATIONS**

Over the next one to two years, the City of Milwaukie should be prepared to implement the following recommendations.

##### **Signage Changes**

Distinctive, friendly and clear customer/visitor parking sign should be designed and installed at all short-term public parking lots. The signs should be "blade" signs with information on both sides so that downtown patrons can read the signs from either direction.

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<sup>1</sup> Strict implementation of the permit program will provide information as to the number of downtown employees parked in the Safeway parking lot.

**Parking Space Management Reassignment**

All 8-hour parking should be converted to 10-hour parking. This is in recognition that spaces currently designated for 8-hour parking are intended for employee use. In most cases employees are at their place of employment nine or ten hours in a day. Therefore, with 8-hour parking and strict enforcement, employees would have to move their cars once during the course of the day. By converting all 8-hour parking to 10-hour parking, this can be avoided. This would involve an investment in parking signage throughout downtown.

The Chopsticks lot is ideally located to be a customer/visitor parking lot. It is located just off Highway 99E and is near the center of downtown Milwaukie. City staff should continue monitoring the demand for short-term versus long-term parking to evaluate the potential for converting this lot to short-term parking. It is anticipated that this conversion would only be feasible if the park & riders are out of the downtown parking system.

**Infrastructure**

The City of Milwaukie should plan a program for upgrading and maintaining off-street public parking facilities, including pavement, lighting and landscaping. Consistent with the Downtown Framework Plan, landscaping should be well maintained and not create visual barriers between the parking lot and adjacent sidewalk - instead landscaping should be visually "open".

In addition, the lighting at all public off-street lots should be evaluated to make sure that lighting meets minimum industry accepted standards. Those locations that do not meet minimum lighting standards should be identified as a priority for the long-term lighting improvement program. This concept has also been identified as part of the Downtown Framework Plan.

**Parking Utilization Monitoring Program**

In order to monitor the need for action, a parking utilization monitoring program should be developed. No more than every two years, City staff should count the parking supply and peak hour parking utilization. At the same time, City staff should query the parking permit database to find out the number of employees and park & riders parked in downtown.

With the results of this information, the Parking Manager should convene the parking committee to review the findings, compare results to the 85percent trigger rule and evaluate the need for any actions (e.g. re-designating short-term or long-term parking, modifying short-term parking duration from two to four-hour, limiting the number of permits for park & riders).

**Transit**

In the event that the TriMet transit center is relocated out of downtown Milwaukie, City of Milwaukie staff, interested citizens and stakeholders and TriMet staff should work together to develop a formally adopted set of transit stop locations for downtown. The existing transit stops should be reviewed and modified as appropriate to ensure that the transit stop locations maximize transit use and access to downtown and minimize impacts to on-street parking supply.

**LONG-TERM MANAGEMENT RECOMMENDATIONS**

Over the long-term (more than two years), the City should be prepared to implement the following measures.

**Infrastructure**

Consistent with the Downtown Framework Plan, a lighting program should be developed so that as the community is redeveloping the downtown can have distinctive pedestrian-level lighting on the streets and in all public off-street parking.

**New Supply**

As the Safeway lot redevelops, the City of Milwaukie should be prepared to develop new long-term parking supply for downtown employees. Ideally, parking for employees of the northern half of downtown Milwaukie should be provided on the north end of downtown and parking for employees of the southern half of downtown should be supplied at the south end of downtown. Parking in the middle of downtown would be available for customers/visitors. In similar parking studies conducted within other Oregon downtowns it has been discovered that people parking for more than four hours are typically comfortable walking up to 750 feet from their parking space to their destination. People parking for less than two hours are typically comfortable walking up to 500 feet from their parking space to their destination.

**Residential Permit Zone**

The last line of defense for managing parking in downtown Milwaukie is a Residential Permit Zone (RPZ). If, in the long-term, it is determined that too many downtown employees are parking in the surrounding neighborhoods, a RPZ should only be implemented if there is confidence that once implemented there is parking supply available for downtown employees within the downtown area.

A RPZ could be implemented to control the number of park & riders parking in the surrounding neighborhoods; however, the City would need to be certain that the motorists parking in the surrounding neighborhoods are park & riders and not downtown employees.

Based on work performed as part of the South Corridor Project, potential parking impacts could occur within a 1,000-foot radius of the proposed park and ride facility located near McLoughlin Boulevard south of Washington Street. The South Corridor Traffic Consultant, DKS Associates, projects that the potential increase in trips to local neighborhood streets (primarily related to park-and-ride activity) is nearly off-set due to the potential to reduce trips by use of transit.

In the event that light rail does go to downtown Milwaukie it is recommended that in advance of this, City of Milwaukie staff develop a detailed understanding of parking utilization in the area in the vicinity of the proposed station, prior to opening of light rail. Once light rail opens, City staff should continue to monitor parking utilization in the area surrounding the station to ensure that utilization does not exceed the 85percent rule in downtown or exceed acceptable levels in the surrounding neighborhoods.

Should parking utilization in the neighborhoods exceed acceptable levels, it is recommended that the City of Milwaukie implement a residential parking zone to manage parking in the neighborhoods. It is further recommended that City of Milwaukie staff provide information to residents and businesses of the area surrounding the proposed station regarding residential parking zones. The information should include:

- Parking monitoring and data collection that would occur to determine if implementation is necessary

- Triggers for implementation
- Policies and fees that residents would be subject to if a RPZ were implemented.
- Parking monitoring that would occur if the program were implemented.

Lynn Peterson

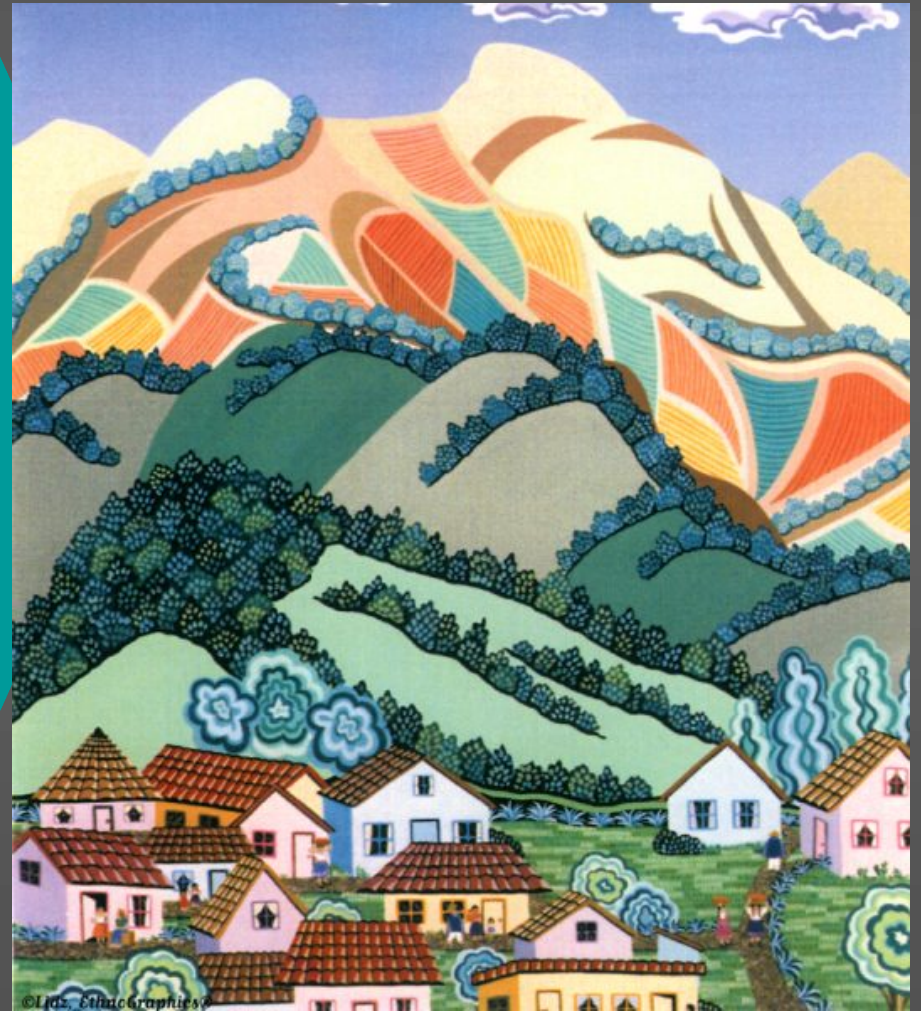
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# Transportation Discussion

Are we meeting our goals?

# Transportation Expectations

**Economic  
Environment  
Community**



# Multi-modal System Performance

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## Regional Travel Delay

- ❖ 70% increase from 1992-2002
- ❖ Decreasing due to recession

## Air Quality Results

- ❖ No violations since 1989

## Mode Shift Since 1994

- ❖ Daily reduction of 10,700 auto trips
- ❖ Daily VMT reduction of 79,400 miles
- ❖ Equivalent capacity to 10 highway lane miles

## Economic Development



# Oregon Transportation Plan

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- Most of the system is in good condition
- We have a current system to connect to the world economy
- Innovative technologies are in place and new ideas are being implemented
- Sustainable fuel options are in place and being used and transit is being utilized

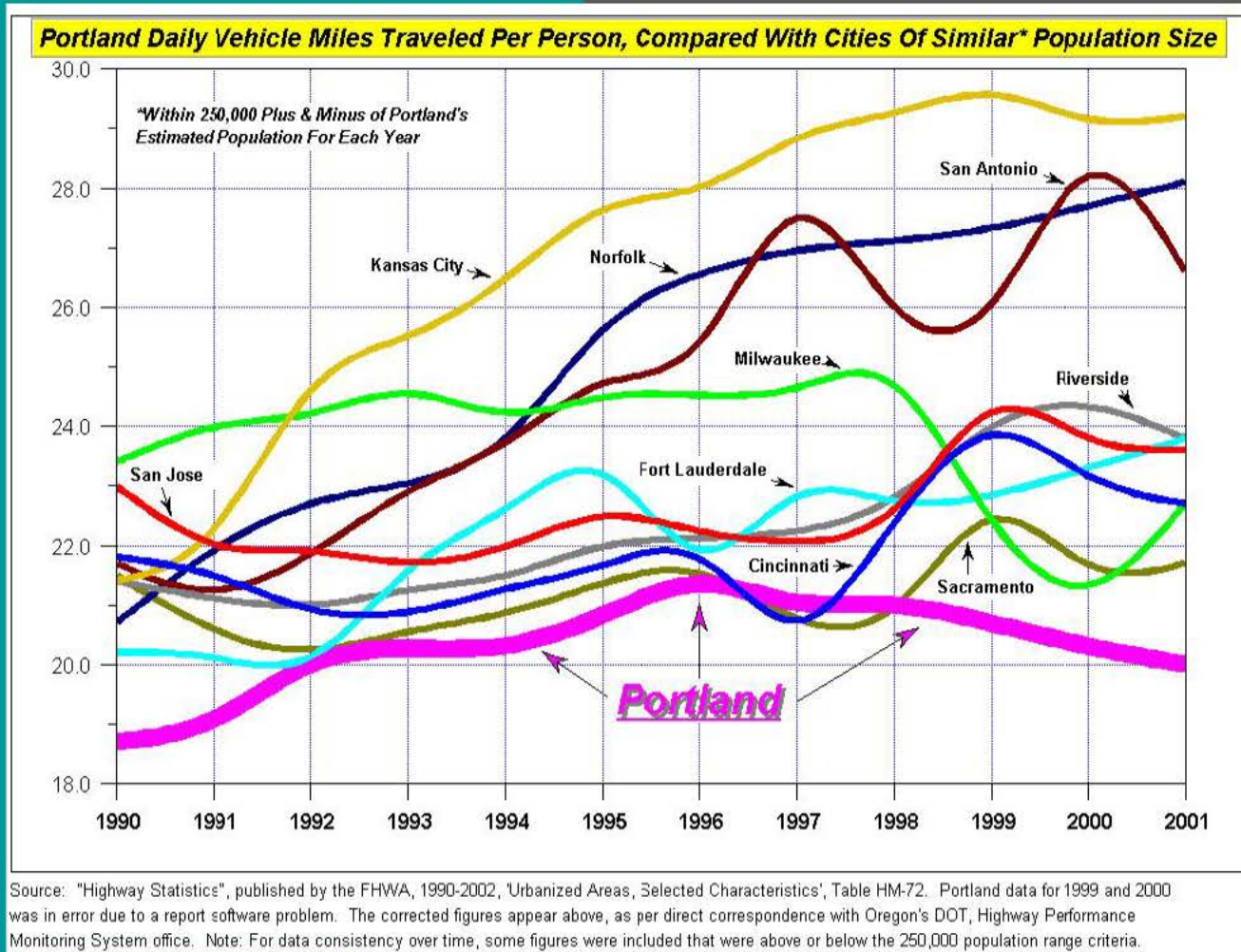
# Oregon Transportation Plan

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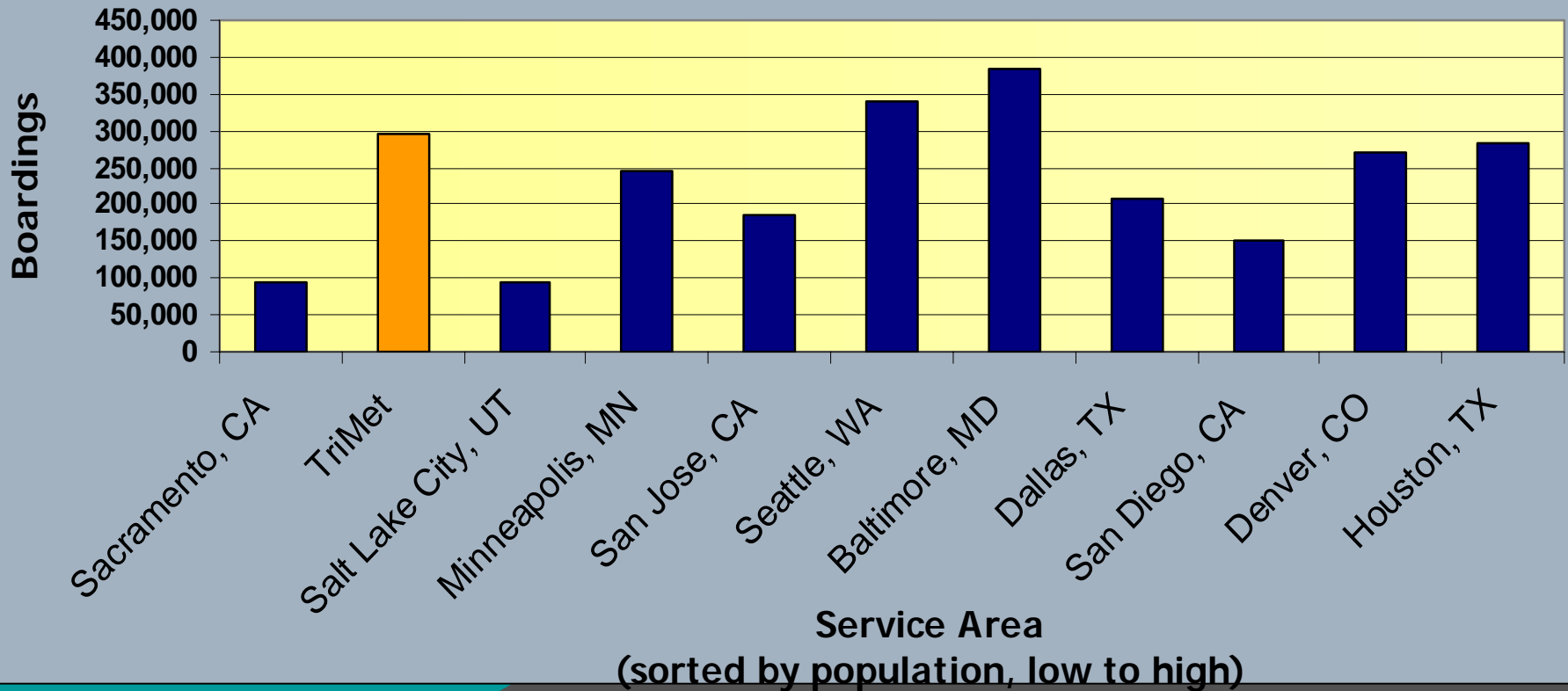
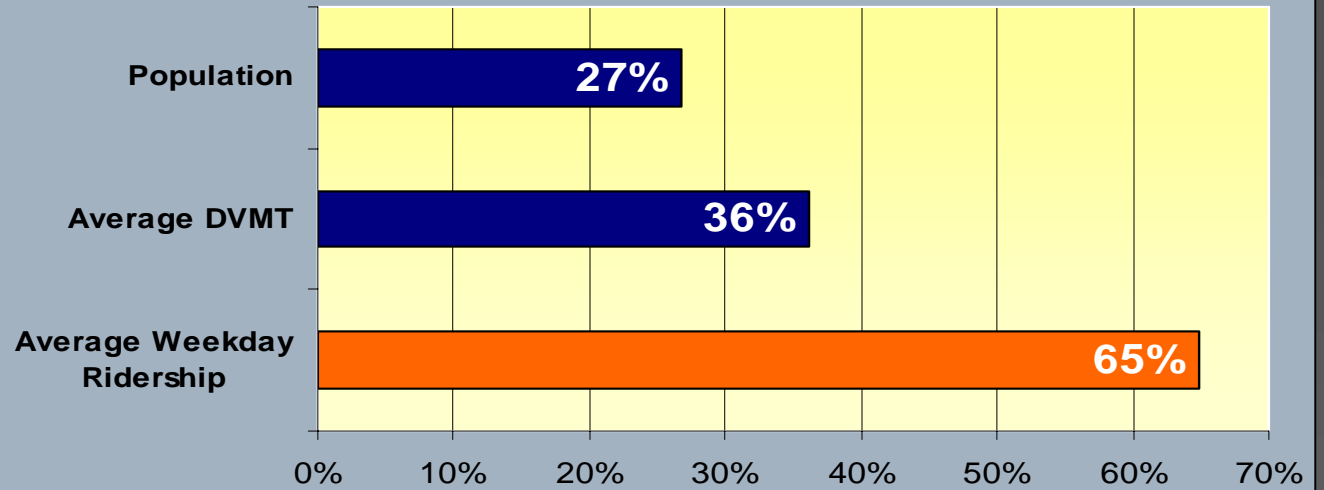
- Population needs will change with higher percentage of seniors
- No. of miles driven per person per day has stabilized but will continue to increase at about 1.5%
- Transit demand is increasing in major metro areas and small cities
- Tonnage of freight increasing and expected to be 80% more in 2030

# Vehicle Miles Traveled Results



# Transit

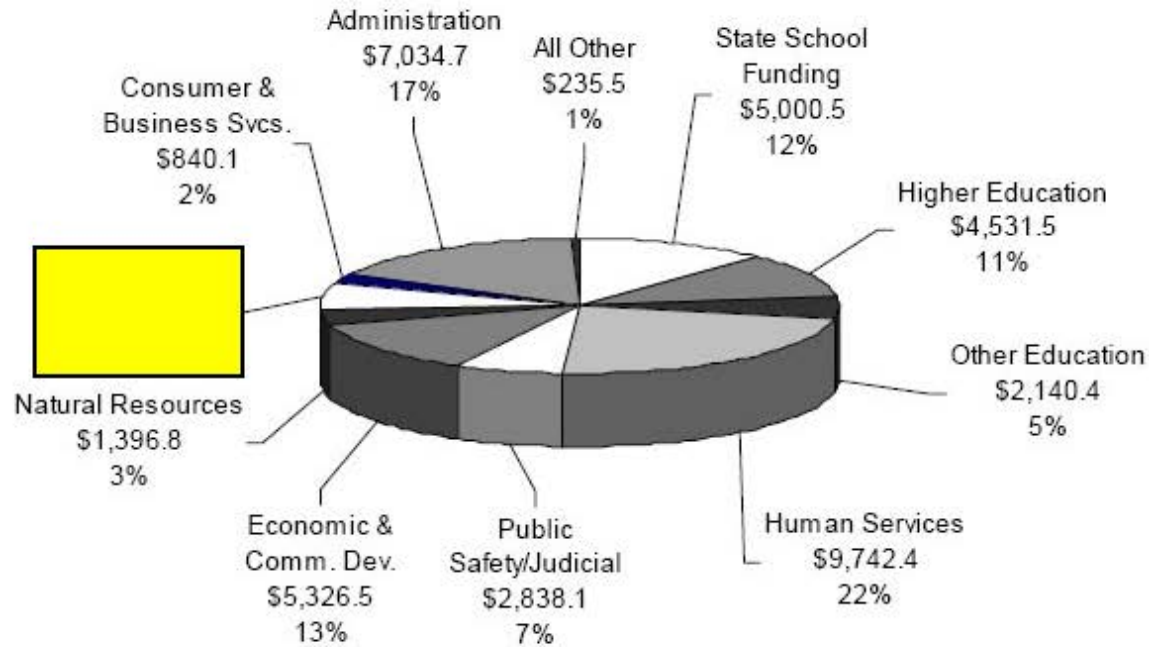
## Weekday Boardings (Bus & MAX)



# Existing State Transportation Funding

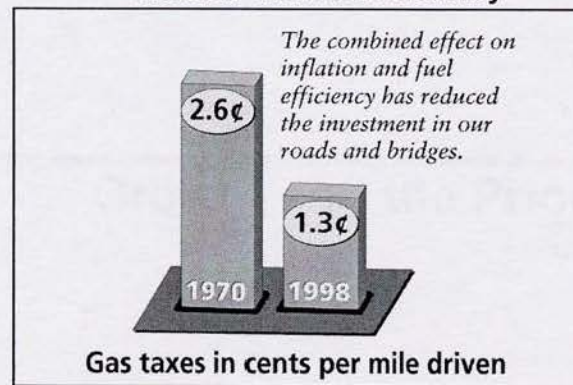
## Expenditures

Total: \$41,962.8 Million



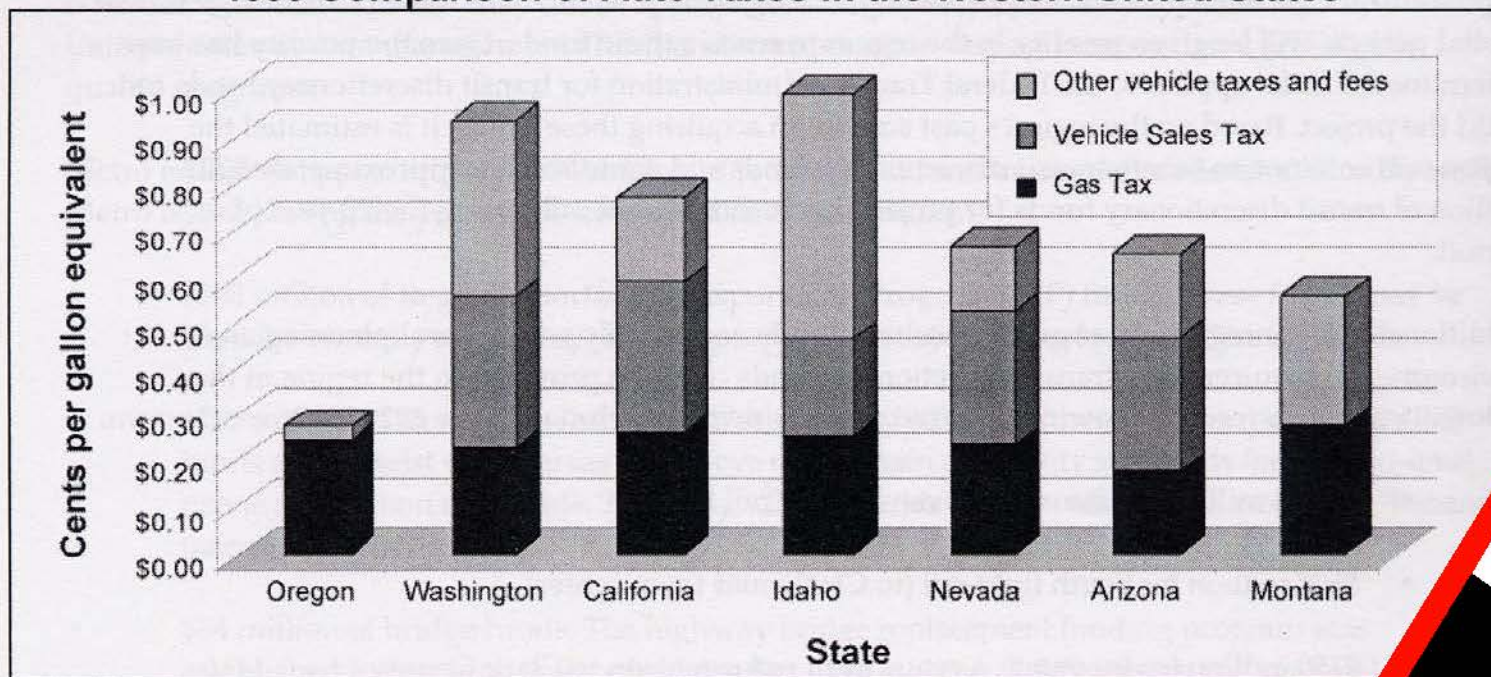
# Gas Tax

Figure 4.6  
Inflation and Fuel Efficiency



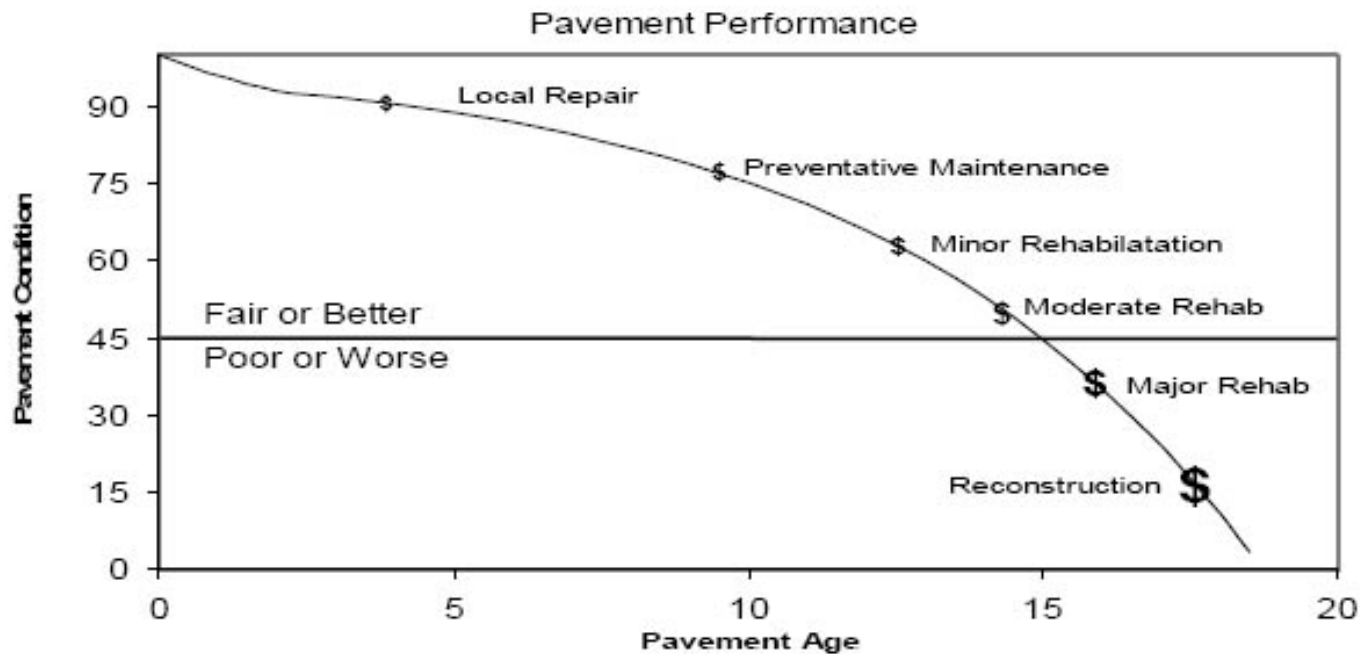
Source: Metro

1999 Comparison of Auto Taxes in the Western United States<sup>1</sup>



# Oregon Transportation Plan

Figure 3: Pavement Condition Curve



*Maintenance of roadway pavements in fair or better condition costs significantly less than rehabilitating or reconstructing those in poor condition.*

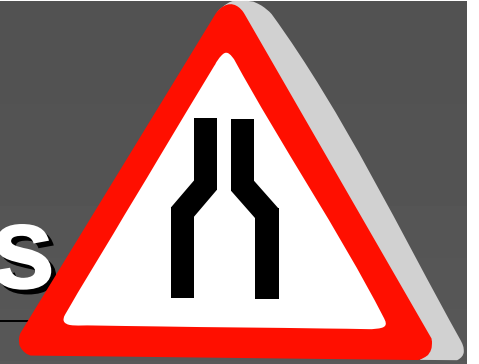
# State Implementation Maintenance Costs

**Table E-29 – Current Funding and Feasible Needs for Maintenance  
(2004 dollars)**

Program Area	Current Level of Service (2004 Funding)	Desired Level of Service (2004 Costs Plus 18 Percent)	Preferred Level (Feasible Need Level of Service)	Difference Between Current Levels and Feasible Need
Surface and Shoulders	\$30,208,847	\$35,646,439	\$40,600,690	\$10,391,843
Drainage	\$10,041,424	\$11,848,881	\$13,495,674	\$3,454,250
Roadside Vegetation	\$27,269,593	\$32,178,120	\$36,650,334	\$9,380,741
Traffic Services	\$31,562,143	\$37,243,329	\$42,419,520	\$10,857,377
Structures	\$8,513,080	\$10,045,434	\$11,441,579	\$2,928,499
Snow and Ice	\$26,120,617	\$30,822,328	\$35,106,109	\$8,985,492
Extraordinary Maintenance	\$5,796,662	\$6,840,061	\$7,790,714	\$1,994,052
Permits	\$3,487,634	\$4,115,408	\$4,687,380	\$1,199,746
<b>Total</b>	<b>\$143,000,000</b>	<b>\$168,740,000</b>	<b>\$192,192,000</b>	<b>\$49,192,000</b>

# State Implementation Highway Capitol Projects

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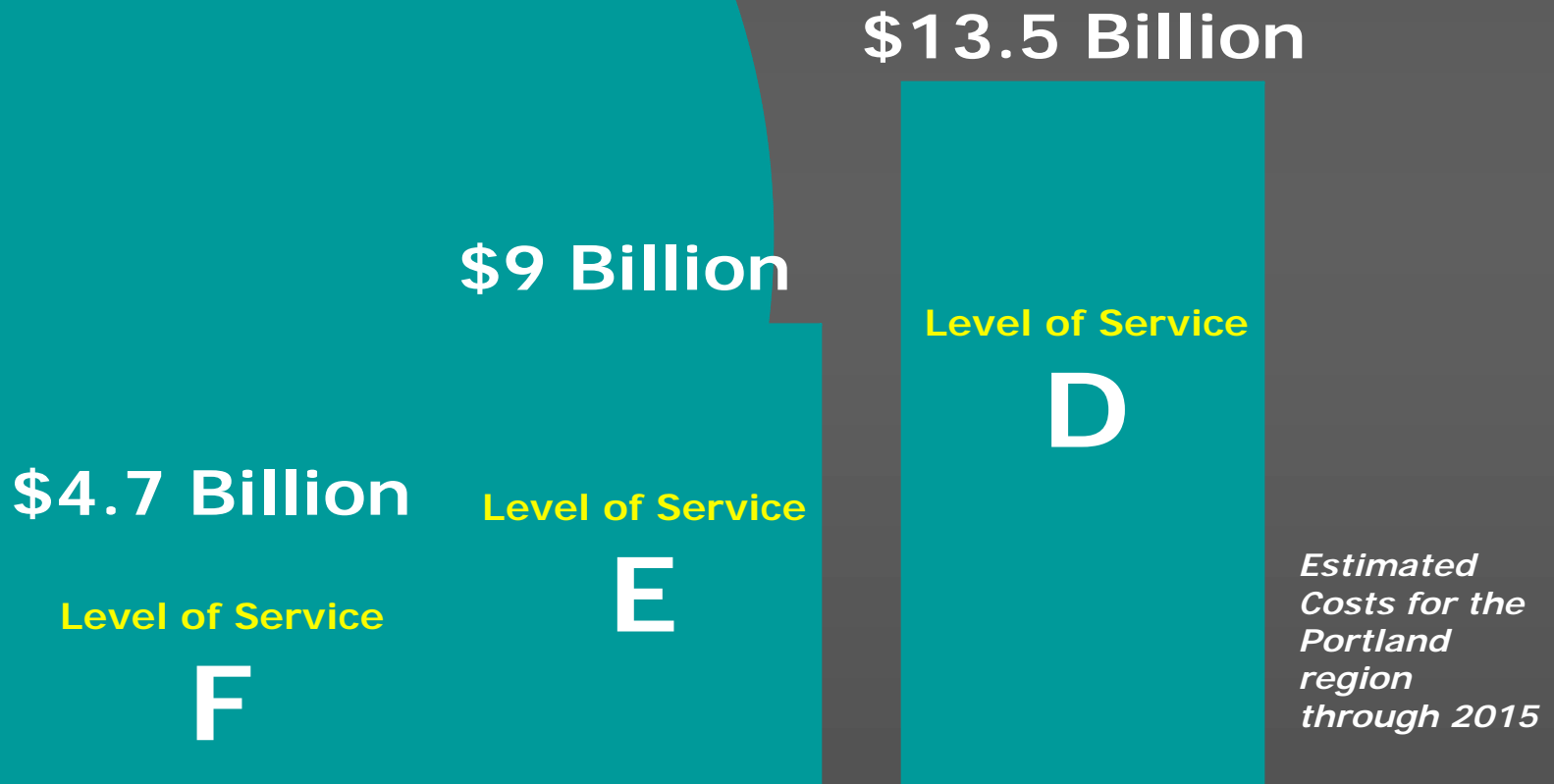
# \$8.6 Billion

Available funding today: \$26.5M/yr for the entire state = 336 years

# Regional Implementation: System Cost



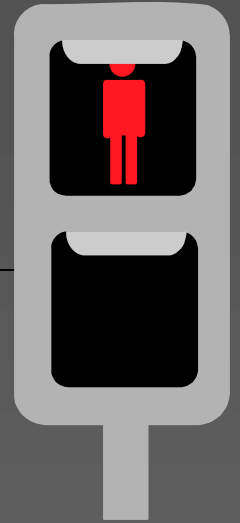
Expected Revenue to 2015: \$2.9 Billion



Source: RTP Alternatives Analysis (1997)

# Oregon Transportation Plan

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- Gas Tax not covering maintenance today
- Over the next 25 years, inflation alone will reduce spending power by 40-50%
- Holding gas tax constant with inflation can basically provide us with maintenance and some safety improvements

# Other funding options

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- Toll Roads
- Continue to Bond against the future (state wide)
- Increase the state gas tax over several years
- Local city/county initiative – gas tax, bonding
- Regional initiative – gas tax, bonding
- Higher system development charges for new

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
JUNE 6, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1983<sup>rd</sup> meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
	Susan Stone

Staff present:

Mike Swanson, City Manager	Alex Campbell, Resource and Economic Development Specialist
JoAnn Herrigel, Community Services Director	

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**Councilor Barnes** read a proclamation naming the month of June 2006 as *National Safety Month*.

**Mayor Bernard** and Councilors recognized Donald Hammang for his service to the community on the Planning Commission. Jeff Dahl and Brent Carter, who were not present, were recognized for their service on the Library Board and Planning Commission respectively.

**Ms. Herrigel** recognized Dolly Macken-Hambright, Ed Zumwalt, Wanda Drendel, and Lisa Gunion-Rinker for their service as neighborhood leaders.

**CONSENT AGENDA**

**No items were removed from the consent agenda for discussion:**

- A. City Council Work Session Minutes of April 18, 2006**
- B. Resolution No. 21-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Authorizing the Mayor to Sign and Renew the Intergovernmental Agreement with Clackamas County for a Grant to Maintain the Juvenile Crime Diversion Program**
- C. Resolution No. 22-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Authorizing the City Manager to Sign an Intergovernmental Agreement with Metro to Collect a Construction Excise Tax and Remit Funds to Metro on a Quarterly Basis**
- D. Payment Approval for SE King Road and 43<sup>rd</sup> Avenue Signal**

**Motion passed unanimously among the members present. [4:0]**

## AUDIENCE PARTICIPATION

- **Ed Zumwalt, 10888 SE 29<sup>th</sup> Avenue**

**Mr. Zumwalt** thanked Engineering Director Paul Shirey and Associate Engineer Brenda Schleining for their work on getting traffic calming islands installed on Monroe Street.

He addressed the Metro/Milwaukie project. The other night at the neighborhood leadership meeting Ms. Ragel asked people why they lived in Milwaukie and for how long. Almost everyone around the table – there were 10 neighborhood people – the reason they were in Milwaukie was because it had that small town feel. That needed to be remembered when the Texaco site was developed. The Council should remember what 10 neighborhood leaders said. The City cannot go into this density too strongly. In the last three or four weeks he had talked to a lot of developers, and they said that they had to be careful about the heights of buildings because the City did not have the infrastructure to handle the traffic. Everyone knew that. With your affinity for 30-story buildings, Mayor Bernard ...

**Mayor Bernard** believed Mr. Zumwalt had suggested 20-stories, jokingly of course.

**Mr. Zumwalt** was trying to cut the Mayor down from 30.

## PUBLIC HEARING

None scheduled.

## OTHER BUSINESS

### A. Park Naming for Kellogg Property

**Ms. Herrigel** asked the Council to approve a proposed name for tax lot 3100 located south of the railroad trestle, east of McLoughlin Boulevard, and west of Kellogg Lake. The Kronbergs formerly owned this property, and Ms. Dena Swanson (formerly Kronberg) and some of her family were present. In December 2005, Ms. Swanson submitted a letter to the City requesting that tax lot 3100 be named after her late husband Robert Kronberg. The property was transferred to the City in 1991 by the Kronbergs with the stipulation that it be used as a park and named after the Kronbergs. Following through on the request from Ms. Swanson this year, in January Ms. Herrigel took the request to the Park and Recreation Board (PARB) through which all naming proposals were referred. The Board referred Ms. Swanson's request to the affected Neighborhood Associations of Lake Road, Island Station, and Historic Milwaukie. Those Associations considered the issue and reported their approval of the name Robert Kronberg Park for this parcel. PARB members considered this and developed their own recommendation, which was forwarded to Council in this staff report. The recommendation was to combine this parcel with the City-owned lots just north and south of the Kronberg property and suggested it be called Robert Kronberg Nature Park. Staff suggested that Council consider simply approving the name proposed for this one lot since that was the proposal that was taken to the NDAs and upon which they voted.

**Councilor Loomis** said it was great to finally meet Ms. Swanson. As a Council member he wanted to say how sorry he was that it had taken so long. He was glad the matter was brought to the Council's attention.

**Ms. Swanson** said she called after reading an article in the paper. Bob Kronberg and his brother were the first realtors on Main Street 45 years ago and helped develop a lot

of the land. She was glad there was going to be something that was commemorative for him.

**Councilor Stone** had some questions and clarifications. On the second page of the staff report under alternatives it said to select an alternate name for tax lot #11E36CB3100A. Was that lot part of the Kronberg donation that was submerged?

**Ms. Herrigel** replied that it was a typographical error.

**Councilor Stone** liked PARB's suggestion for naming it Robert Kronberg Nature Park because of all the wildlife and restoration that the City was trying to look at in terms of Kellogg Lake. She thought that was a very fitting name. She also liked the suggestion about including the parcels of land to the north and south to be named as part of this park. It was on the City Comprehensive Plan designated as a green space and was on the North Clackamas Parks and Recreation District's roster as an undeveloped park. Frankly, there was no way to enter the park except through the piece of land that was to the south of the park. She would like the Council to consider naming that area after Robert Kronberg and name it Robert Kronberg Nature Park. She thought that would be very fitting. The other question she had to do with process. On page 6 of the staff report – City of Milwaukie Policy and Procedures for Naming Facilities – under section 5.d.ii. It read the NDA or special subcommittee will offer at least one opportunity for public comment on the proposed naming. Further hearings and input shall be at the discretion of the PARB. Then the PARB would review public input. That process was not fully honored so she wondered procedurally why not.

**Ms. Herrigel** said her interpretation was that once the question was referred to the NDAs then the Associations had to have one meeting where it was voted on and the decision relayed to staff. She asked if Councilor Stone interpreted it differently.

**Councilor Stone** said public comment to her meant at a Council meeting.

**Ms. Herrigel's** interpretation consistently throughout all of the naming processes she had done has been that it was given to the NDAs. Their meetings were public and advertised in advance, and that was the public comment. Council does have the discretion to do many things within the policy. It was a policy and not a law.

**Councilor Stone** asked why staff was not going along with the PARB recommendation to include all of the land to the north and south in the naming of this park.

**Ms. Herrigel** replied it was for consistency. She talked to PARB about this lot, and that was referred out to the three NDAs who considered the lot for naming. They voted and reported the outcome. She took that to PARB who decided to name three lots. It was probably her error since she was the staff liaison to draw it to their attention and modify it, but she failed to do so. There was only one lot that the Kronbergs had previously recommended being named.

**Councilor Stone** said now the whole thing was considered Kellogg Park. To her there was some disparity. She was thinking that when the park was renamed to honor Robert Kronberg that the City would include that entire green space. The southern entrance – the piece of property that was not the Kronberg donation – was the entrance into the park, so it was needed.

**Councilor Barnes** understood tax lot 3100 was the donated parcel, and the City owned the other two. She asked if the final decision by the three NDAs was for the one lot.

**Ms. Herrigel** confirmed the decision was for tax lot 3100.

**Ms. Swanson** asked if there would still be improvements if it was called a nature park.

**Councilor Stone** believed that the intent was to develop the park.

**Mayor Bernard** would support the process and NDA recommendations.

**It was moved by Mayor Bernard and seconded by Councilor Barnes to approve the proposed naming of tax lot #11E36CB3100 to Robert Kronberg Park.**

**Councilor Loomis** understood the other lots could be named and added at a future date.

**Ms. Herrigel** replied those could go through the renaming process.

**Councilor Stone** asked if that could be done at this meeting.

**Ms. Herrigel** replied that would not follow the policy of taking the question back out to the NDAs.

**Councilor Stone** would like to see the entire piece of land donated. She understood they did the initial donation but another private family – the Poole family – also donated a tax lot to the south that was indeed the entrance to the Kronberg site. She really felt like that entire green space as it was in the Comprehensive Plan to be Robert Kronberg. She particularly like Nature Park as it had a nice sound. Staff had gone to the NDAs and presented it in such a way that they only looked at naming that one parcel of land, so she wanted Ms. Herrigel to go back to the NDAs – all three. She would like there to be some consideration to the PARB naming recommendation. She thought they chose a very thoughtful name, Robert Kronberg Nature Park.

**Mayor Bernard** called for the vote.

**Councilor Stone** proposed an amendment that at a future date and not too far into the future such as the next Council meeting to come back and name the other parcels to the north and south in honor of Robert Kronberg as well.

**Councilor Loomis** asked Ms. Herrigel if it was possible for her to do that.

**Ms. Herrigel** could start the process. If true to the process, the proposal would go out to the NDAs again, so that would be in July. She could come back to Council in August.

**Councilor Stone** said that was fine. She had one more question in terms of Ms. Swanson's opinion of the two names that were tossed around in terms of Robert Kronberg Park or Robert Kronberg Nature Park. Councilor Stone thought Ms. Swanson should have some input in terms of the name.

**Ms. Herrigel** said in her communication Ms. Swanson preferred Robert Kronberg Park rather than simply Kronberg Park. She had not asked Ms. Swanson about the Nature Park proposal.

**Ms. Swanson** said her only question was that if "nature" were put into it that it would remain status quo. Her impression was that it was going to be developed into a lovely park for all the community to use. A nature park sounded wonderful if it was going to be developed.

**Councilor Stone** replied that it would be.

**Mayor Bernard** added the intent might be there; however, there was no money. The goal was to look for funding for all City parks. The priority at this time was on the riverfront, and some future Kellogg Lake improvements would allow the City to begin some work.

**Councilor Stone** commented that the Historic Milwaukie NDA had been working on cleanup of the site. Mr. Zumwalt was involved in getting together a group of people to help make it look a little better. She wanted to amend the motion.

**Mayor Bernard** as the maker of the motion did not accept the amendment. He would stay with what the neighborhoods said.

**Councilor Loomis** asked if Ms. Swanson was okay with either name, and she indicated that she was.

**Motion passed unanimously among the members present. [4:0]**

**Councilor Stone** said she would not make a second motion if Ms. Swanson was fine with the name. She asked that Ms. Herrigel go back to the NDAs with the naming of the other tax lots. She felt that was Ms. Swanson's wish that it all be included.

**Ms. Herrigel** understood that a proposal should be taken to the neighborhoods to name all three of the lots Robert Kronberg Park.

**Councilor Stone** said that was correct. She thought it would be odd to have all three parcels named something different.

**Mayor Bernard** added that would have to be a discussion and decision by the full Council.

**Mr. Swanson** said rather than talking about procedure, in December 1991, Ms. Swanson by deed transferred the subject property to the City. By separate letter the City made a commitment that it did not keep which was to name the property after Robert Kronberg. He first spoke with Ms. Swanson in October 2005. He felt badly that the City had not followed through on its 1991 commitment. Ms. Swanson had already been asked to play Solomon. At this point he suggested that she and her family walk away with the feeling that what the City had done was to follow through on a commitment made in 1991. If the Council wished to battle about this, there was probably a better time to do it. He for one felt both sorry and thankful that the Council did what it did at this meeting. It was an obligation that was cleaned up, and he hoped Ms. Swanson and her family could also walk away with that feeling. The City could deal with the rest of the matter at another time. He suspected that he and Ms. Swanson would keep in touch and talk about the other issues. At this time it was not about procedure or about the law, it was about keeping the commitment.

**Councilor Stone** agreed. The City had finally gotten around to naming this piece of property that was donated. However, the Council heard tonight from Ms. Swanson that she wanted to see the park developed. It was one thing to put up a fancy sign with the name but it was another to really turn it into what was intended which was to be a park. She did not see how the donation could possibly be a park without using the other tax lots to the north and south. Those lots were purchased with money specifically set aside to purchase land for parks. She would really like to see the City make a commitment to do some development at that site.

**Ms. Herrigel** said last week staff held a meeting with all the abutting property owners and the Island Station, Lake Road, and Historic Milwaukie NDAs. The intent was to brainstorm about the use of the Kronberg property as well as the two properties to the north and south. She personally thought of those as contiguous pieces that did belong together. She agreed with Mr. Swanson that the parcel should be named, and everyone should move on. She heard Councilor Stone's concern about using all three of them, and she believed the people she pulled together for the meeting would also think that. She felt there were other ways to access the site, but those two belonged there for other reasons. One could move from one end to another in a more natural way, and they were all beautiful. She agreed with Councilor Stone's goal and thought there were ways to get to the naming of all three properties, and that she would be happy to work with Councilor Stone.

**B. Amend Title 8 of Municipal Code to Address Inoperable Vehicles on Private Property – Ordinance, second reading**

It was moved by Councilor Barnes and seconded by Mayor Bernard for the second reading by title only and adoption of an ordinance amending Municipal Code Title 8 to include inoperable vehicles as a nuisance.

Motion passed 3:1 with the following vote: Mayor Bernard and Councilors Barnes and Stone voting 'aye' and Councilor Loomis voting 'no.'

Mr. Swanson read the ordinance for the second time by title only.

Mr. Swanson polled the Council: Mayor Bernard and Councilors Barnes and Stone voting 'aye' and Councilor Loomis voting 'no.' The motion passed 3:1.

**ORDINANCE NO. 1961:**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AMENDING TITLE 8 OF THE MUNICIPAL CODE TO INCLUDE INOPERABLE VEHICLES AS A NUISANCE AND INCLUDE A DEFINITION OF INOPERABLE VEHICLES.**

**C. Authorize Grant Application Submittal for the Construction of New Bike and Pedestrian Infrastructure on 17<sup>th</sup> Avenue**

Mr. Campbell said this was a formal resolution authorizing staff to submit an application for the 17<sup>th</sup> Avenue project that would create continuous bike lanes and sidewalks between downtown Milwaukie and Ochoco Street. He also asked for input on whether the City should apply and pledge the minimum match of 10.27% or whether the Council wanted to use an "over-match." He suggested the Council might consider a 12% match in the application to reinforce its commitment to the project.

Mayor Bernard understood the match came out of street funding, so he supported going to 11%.

Councilor Loomis noted part of the project was in Portland and asked if that city was willing to help out.

Mr. Campbell replied that question was being pursued, but he had not heard any definitive answers. This was a strong application.

Councilor Barnes noted 11% was \$170,000 and asked if the Council was willing to give up that amount for a bike path.

Mr. Swanson said this was a bike path that connected directly and safely to the system that would get people between Milwaukie and Portland. When one looked at the regional goals there was an emphasis on pedestrian and bike trails in part to relieve some of the congestion that occurred on the highways. It was road money but it was also meant to displace some of the traffic by moving people in a different way. It was road money, but it moved people to the same places using a different mode.

Mayor Bernard asked how much it would cost to pave one block. Could the City afford to give up \$170,000?

Councilor Stone said the City should not apply for the grant if it did not want to spend the money for the match. Milwaukie needed to know Portland's intentions about helping Milwaukie with this project.

Mr. Campbell did not anticipate Portland adding anything to the local match.

Councilor Loomis pointed out that this had been discussed in work session, and staff was directed to move forward.

**Mr. Swanson** said this project was a logical extension of the 3 Bridges Project with Portland, Metro, and ODOT.

**Mayor Bernard** agreed sidewalks and bike lanes made the proposal more attractive.

**Mr. Campbell** said the Pioneer Cemetery was one possible destination from downtown Milwaukie. One of the reasons this project came to the forefront had to do with the Springwater Corridor. There would be a multi-use trail on the current rail bed, so there could be a very pleasant walk between Milwaukie and Sellwood. That seemed to be a valuable investment in terms of revitalizing downtown Milwaukie.

**Councilor Loomis** said the Memorial Day Walk led by Ms. Herrigel and Mr. Campbell was intended to highlight the need for this project to tie the Milwaukie Riverfront Park and Trolley Trail to the Springwater Corridor. This was an important connectivity element because people did walk that area.

**It was moved by Councilor Loomis and seconded by Councilor Stone to adopt the resolution endorsing the grant application for the 17<sup>th</sup> Avenue Bike/Pedestrian Project. The motion passed unanimously among the members present, and Councilor Barnes noted her vote was with hesitation. [4:0]**

**Councilor Loomis** thanked Ms. Herrigel and Mr. Campbell for giving up their Sunday to join him and 26 others on the walk.

**RESOLUTION NO. 23-2006:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SUPPORTING A REQUEST FOR THE FUNDS TO THE OREGON DEPARTMENT OF TRANSPORTATION UNDER THE TRANSPORTATION ENHANCEMENT PROGRAM FOR SIDEWALK AND BIKE LANE IMPROVEMENTS ALONG 17<sup>TH</sup> AVENUE BETWEEN LAVA DRIVE AND OCHOCO STREET.**

**D. Council Reports**

**Mayor Bernard** and **Councilor Barnes** commented on the success of the Sunday Farmers' Market.

**Councilor Loomis** announced that Saturday Coffee with Council has been postponed until further notice.

**Councilor Stone** acknowledged Mr. Campbell's work on the recent Artrain event. The Ardenwald Secret Garden Tour netted about \$1,200 for the elementary school.

**Councilor Barnes** congratulated the 2006 Milwaukie High School graduates.

**ADJOURNMENT**

**It was moved by Councilor Barnes and seconded by Councilor Stone to adjourn the meeting. Motion passed unanimously among the members present. [4:0]**

**Mayor Bernard** adjourned the regular session at 8:00 p.m.

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Pat DuVal, Recorder

## MINUTES

### MILWAUKIE CITY COUNCIL WORK SESSION

June 20, 2006

**Mayor Bernard** called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson, Services Director JoAnn Herrigel, Human Resources Director Mary Rowe, Community Development/Public Works Director Kenny Asher, Resource and Economic Development Specialist Alex Campbell, Engineering Director Paul Shirey, Police Chief Larry Kanzler, Planning Director Katie Mangle, Information Coordinator Grady Wheeler, and Associate Engineer Brenda Schleining.

#### **Public Safety Advisory Committee Work Plan**

**Susanna Pai**, Public Safety Advisory Committee (PSAC) Chair and **Chief Kanzler** reviewed the 2006 – 2007 Work Plan.

##### 1. Traffic Management Program

A complete proposal was sent to Engineering Director Paul Shirey

##### 2. Officer and citizen recognition

The American Legion no longer provides a venue, so this year the event was held at McGrath's. Outback Steakhouse will sponsor the program in the future.

##### 3. Youth Activities and Safety

PSAC would support the Police Activities League (PAL) that focuses on youth from 9 to 14 years of age. This year \$24,000 in federal grant funds were spent on activities. The City applied for an additional allotment to reinvigorate the youth in the community. This past year money went to athletic equipment and youth camp scholarships, and four Milwaukie officers coached teams. Prospects looked dim for future federal funding. The school resource officer (SRO) would keep the contacts open with the schools, and the officers would continue to volunteer their time to coaching. Uniforms and equipment would not be available unless funding came through.

##### 4. Citizen Police Academy

The Cities of Milwaukie and West Linn conducted a successful Police Academy in 2005 and would be joined by Gladstone and Lake Oswego this year. There would be 20 slots available for the 11-week program that starts in September. The intent was to reinforce community policing and interaction between the police departments and citizens. Each agency would be responsible for its own expenses. The Milwaukie police department budgets \$5,000 primarily for officer overtime and expendable equipment.

**Councilor Stone** attended in the mid-1990's, and she recalled it was funded by the Sheriff's Department.

**Chief Kanzler** did not believe the Sheriff's office was participating any longer.

##### 5. Neighborhood Awareness

PSAC would continue to act as the liaison between the neighborhoods and the department to further knowledge about safety, traffic, school programs, and other public safety issues.

## 6. Education

The Committee would support education about such things as safe routes to school. Ardenwald was selected as the media school for Walk Your Child to School Day this year.

## 7. Fielding problems and questions from the neighborhood and industrial areas

Ms. Pai and the Chief had discussed what could be done with the industrial areas to integrate them into the neighborhood associations and give them a active role.

**Councilor Barnes** said the business partners on International Way were pleased with the police department's responsiveness, so now might be a good time to follow through on the idea.

**Chief Kanzler** said it was a matter of resources.

**Ms. Pai** felt PSAC would be supportive of the effort to develop a link between the industrial areas and the neighborhood associations.

## 8. Adopt an intersection program

PSAC would pursue this element of the work plan once the engineering department had worked on the Neighborhood Traffic Management Plan (NTMP).

## 9. Annexation

**Ms. Pai** reported the Overland Park was enthusiastic about annexation, and residents had attended some of the PSAC meetings.

**Chief Kanzler** added that working with the Overland Park residents might prevent some of the crime from drifting into Milwaukie. He commented on the expense of responding to calls from the unincorporated areas.

**Ms. Pai** observed that Milwaukie police took calls from the Overland area when the situation was high risk. She was anxious to see annexation occur to more effectively use resources.

## 10. Explore city and county disaster plans

Many of the PSAC members were well trained and could help with implementation or input as needed. Ms. Pai was a member of the Red Cross Disaster Team.

**Councilor Collette** asked if the neighborhood leaders worked with her to disseminate information during a disaster.

**Ms. Pai** replied the Committee was working toward a plan so the neighborhood leadership could play key roles during a disaster to help residents.

**Chief Kanzler** said CodeRed was approved in the 2006 – 2007 budget, and the agreement was scheduled to come before Council in August.

**Mayor Bernard** discussed the Gramor development and Hwy 224 improvements and Mr. Aschenbrenner's request that the Oregon Department of Transportation (ODOT) install a left-turn signal. He suggested that the neighborhoods consider putting some of their grant funds toward the improvements.

**Ms. Pai** would bring the matter before the NDA at its next meeting in September. The Committee would discuss the issue at its next meeting.

**Mayor Bernard** added ODOT would not spend the money before the buildings were occupied and a traffic study done. He asked how much Milwaukie had gotten in Homeland Security grants.

**Chief Kanzler** said Milwaukie applies in collaboration with Clackamas County and the region. In the past over \$100,000 has come into Milwaukie, but the focus has changed to a regional response plan. The City currently had \$50,000 to site harden the Public Safety Building.

**Councilor Stone** thought Gramor had some responsibility at the Oak Street intersection.

**Mayor Bernard** replied the developer installed the turn lane but not the signal.

**Councilor Stone** would appreciate PSAC's writing a letter and supported the idea of adopting problematic intersections.

**Chief Kanzler** said the efforts would be based on neighborhood association input and crash data. The intent would be to identify the issues and make recommendations to the state or City of Milwaukie on how to rectify the problem.

**Ms. Pai** added it would be similar to the adopt a park program.

**Councilor Stone** would like that to come to the City Council because PSAC was an advisory body. It would be nice to be in the loop and know how the dollars would be spent. Identifying problematic streets and intersections would be a great thing to do for citizens.

**Chief Kanzler** replied at this point the program was in the action plan. The high-risk intersections have been mapped, but responsibility had not been assigned yet. Engineering was aware of the work plan, but no recommendations had been forwarded. Some things called problematic were poor driver responses to signals. Photo radar and photo red-light enforcement was still on the priority list. There was still support from the Oregon Chiefs of Police for this program in Milwaukie, and he hoped they would be actively involved in the legislative process. It was clear the Council and community wanted to see active traffic enforcement. The decision should be a local option and not dictated by the state.

**Councilor Stone** commented there were a lot of tools that could be used in terms of the NTMP to identify local issues in the neighborhoods and enforce speed limits.

**Chief Kanzler** discussed the effectiveness of photo red-light in reducing accidents rates.

**Councilor Stone** asked Ms. Pai what she felt were PSAC's most notable accomplishments.

**Ms. Pai** said the group works as a team. There were a lot of things on the list to work on as a team and accomplish at least 2/3 of it.

**Councilor Stone** asked if PSAC members typically attended the NDA meetings.

**Chief Kanzler** replied when officers were available they attended the NDA meetings, and PSAC members were nominated by their neighborhood associations. The idea was to get information between the department and the neighborhoods.

**Councilor Stone** asked if there were still neighborhood watch groups and if PSAC could help in problematic areas.

**Chief Kanzler** replied neighborhood watch programs had not been very successful because it was expensive and difficult to maintain when residents came and went. Community awareness proved to be more effective than the block captain program.

**Councilor Stone** thought it might be a good idea in problematic neighborhoods where there were pockets of problems. She would like PSAC to be involved in a helmet program because she knew it had been done in the past.

**Chief Kanzler** assisted the fire department this year on the helmet program. The department donated 36 unclaimed bikes to a non-profit program that helped children learn to ride safely. That was on the police department work plan at this time rather than PSAC's.

**Ms. Pai** said Chief Kanzler got her on the Safe Route to School program with ODOT, and she will report back to the Chief to implement certain elements in the community. It was a

**City Council Work Session – June 20, 2006**

**Draft Minutes**

**Page 3 of 7**

federally-funded program that provided a statewide grant. She hoped the community would apply for the grant and promote walking or biking to school.

**Councilor Stone** asked if PSAC might want to work on the Hands and Words Are Not for Hurting Project and get the neighborhoods involved. There was a lot of domestic violence that went on, and this was a successful program for children to go through.

**Chief Kanzler** would like to involve someone from the high school on the Committee, but right now everyone's work schedule was full. Right now the liaison work was going to the school.

**Councilor Stone** replied the program targeted the grade schools as well. She would like to address the PSAC at some time.

### **Street Maintenance Funding Outreach**

**Mr. Asher** said Katie Mangle, Brenda Schleining, Alex Campbell, Grady Wheeler, Mike Clark, and Paul Shirey were members of this interdisciplinary team that worked on the Council's charge to consider options for the City's deteriorating street conditions and to raise local dollars. About one year ago Mr. Shirey presented a staff report that graded the local street system using computer modeling. In quantitative terms the street system was okay but slipping. Once one got too far behind, the catch up costs were exorbitant. This matter was timely and urgent, and staff sought feedback as it proceeded to a Council recommendation scheduled for July 18.

**Ms. Herrigel** reported the team developed a problem statement and reviewed pavement management plans from the past, the street fund budget history, maintenance trends, and approaches used by other jurisdictions in the Metro area. The problem statement read, "Milwaukie streets are in a state of rapid decline. Some have already failed. Funding is not adequate to turn the situation around. If nothing is done, the roads will worsen, and the cost to remedy the situation will skyrocket."

Flyers were distributed at the Library Plant Sale, Farmers' Market, Down to Earth Day, and at Lewelling, Ardenwald, and Linwood Elementary Schools. There were direct mailings in all utility bills in May and June. Presentations were made at all seven Neighborhood District Association (NDA) meetings, the Planning Commission, Citizens Utility Advisory Board (CUAB) to which all other advisory boards and commissions were invited, and the Milwaukie Rotary. Three hundred businesses were invited to a meeting that no one attended, but some comments were received. Another meeting was scheduled at the Milwaukie Center that no one attended, and the Ardenwald PTO meeting was cancelled. Information sheets and surveys were posted on the website. The most specific data was gathered from the presentations at the regularly scheduled meetings. Verbal comments were recorded on a flip chart at the meetings plus people were asked to complete a survey. The written responses indicated a higher level of concern than did the verbal responses. No one said his or her street was great, but the level of concern in the survey was 4 to 5. When asked about local funding options, the surveys showed people were willing to pay. The options, however, were all over the board. Verbally, they thought the City should sharpen its pencil, but in the survey the options were about equal with the exception of downtown parking meters which ranked very low. Property tax in the verbal data collection ranked very low because no one thought people would vote in favor of it. From the written responses property tax was 22%, street utility fee was 23%, privilege tax was 26%, shifting to the general fund was 21%, and paid parking was 8%.

**Mr. Asher** said other options such as a local gas tax came up. The five in the survey were the most typically used in the region and would generate enough funds to solve the problem. He understood the City of Sandy had a local gas tax.

**Ms. Herrigel** also asked the public if they would focus on the larger streets or smaller neighborhood streets. Sixty-three percent said they would focus on the larger streets. Many people were concerned that any funding be equitable. Property owners did not feel they should pay everything. Any funding option should be closely associated with a work plan. The street projects should be distributed equitably throughout the City. Projects should begin on the outside and work in; do not just concentrate on the downtown. Any funds collected should be dedicated to street maintenance.

**Mayor Bernard** was involved in the County road funding study about a year. The City helped fund the study, but the County decided not to go through with any plan. One of the issues was outreach to those who would pay the most like Safeway or Albertson's. He recalled that the County study was based on the number of parking spaces. He recently attended a Clackamas County Business Alliance breakfast, and the Danielson's Thriftway owner said no one from the County had talked to them about alternatives. The North Industrial and Omark businesses would be paying big dollars along with the shopping centers. He encouraged making direct contact with those property owners. For example, would he pay more than Dark Horse because he had a parking lot? That was the type of issue that needed to be resolved.

**Mr. Asher** agreed those types of issues needed to be resolved. A lot of that got into methodologies, and there was a presumption that it would be user based. The project was not there yet, and more outreach would be done. Despite efforts to reach businesses, there was very little feedback. Staff would continue to try to reach them. There needed to be some determination about the methodology by which local money would be raised, and businesses would be key. That additional outreach would be essential and would be part of the recommendation.

**Mayor Bernard** thought some Council members would partner with staff on its business outreach efforts. He thought a local gas tax should be in the mix although there were not many stations in Milwaukie. He discussed the program in the City of Sandy.

**Ms. Herrigel** commented that Mr. Wheeler was interviewing Sandy officials for the report.

**Councilor Collette** thought the approach was terrific, and people in the community got the message and felt they had been listened to. She understood the sense was that people were willing to pay something more for street maintenance, and the options were pretty equal. If the City did seek tax money, then the question would go before the voters, and a utility tax could be done through Council public hearings.

**Ms. Herrigel** heard people say they were okay with the options but with qualifications. For example, if something went on the ballot, then there needed to be a priority list of projects. People would want to know how the utility fee option worked and that businesses were contacted.

**Mr. Asher** added there was no debate that there was a problem because people can see the deterioration. The material identified how much more expensive it was to repair badly deteriorated streets, so most of the discussion was about funding.

**Councilor Loomis** asked why staff did not send out a survey like it did for the riverfront.

**Ms. Herrigel** replied it was mostly a matter of timing.

**Mr. Asher** added it was important to take people through the facts and particularly how street funds were allocated.

**Councilor Loomis** thought everyone was clear that the roads were horrible and needed to be fixed. The question was how to pay for them, and he thought that could have been on the survey.

**Ms. Herrigel** thought the error might have been in putting the flyers in the utility bills.

**Councilor Loomis** thought it was a great effort, but it was not effective.

**Councilor Stone** asked the annual anticipated cost.

**Mr. Asher** responded that \$1.2 million annually for six years was a rough estimate of what it would take to get almost all the streets in a good condition and to a point where they could be maintained. The second issue was how to apportion the cost.

**Councilor Stone** understood the \$1.2 million incorporated all the streets that were in fair or poor condition. What would the figures look like if focus were on the well-traveled arterials to make it more digestible? She liked the idea of using gas tax dollars and shifting the street lighting costs. She suggested the privilege tax on an annual basis to see what that did. She suggested looking at the major streets that really needed repair.

**Ms. Herrigel** replied that staff was working on that and would report on July 18.

**Mayor Bernard** said many communities had dealt with this successfully, and residents were happy. They developed a list of projects and put up signs when they were done.

**Mr. Asher** believed Wilsonville even offered a rebate.

**Councilor Stone** said that would give a better idea of the costs and not be an arbitrary figure.

**Mayor Bernard** thought a lot of work had gone into coming up with the figure.

**Mr. Asher** added the costs for street construction in Clackamas County went up 30% last year, so there was some inflation built into the numbers. If that rate continued, then everyone would be in a totally different situation. The numbers were good, but staff was at a point where it needed to look at prioritization and methodologies for assessing costs. Now it had a sense community's opinion and what program might be viable.

**Councilor Barnes** appreciated the massive undertaking and interdepartmental coordination. She suggested creating a video.

**Ms. Herrigel** said staff would work on the video in July.

### **Council Appraisal Form**

**Ms. Rowe** reviewed the three options in terms of the form. Options 1 and 2 had the same criteria, and option 1 included a section on overall strengths. Option 3 was a hybrid that might get to some of the Council's questions.

**Mayor Bernard** suggested combining options 2 and 3.

**Councilor Loomis** thought the form should be as simple as possible so it would not take a lot of staff time to complete.

**Councilor Barnes** liked options 2 and 3 combined and thought the question on staff relations was important.

**Councilor Stone** liked option 3 but suggested combining some of the questions.

**Councilor Collette** noted some overlap between options 2 and 3.

**Ms. Rowe** would e-mail a final draft to the group prior to sending it to all employees with a message from Mayor Bernard.

### **Municipal Court Judge Contract**

**Mr. Swanson** reported the municipal court judge's contract would expire on June 31. This was a judicial officer that served at the pleasure of the Council. It was agreed that the contract would be extended for six months at the July 6 meeting. The Council may determine it wanted to go out with a request for proposals (RFP).

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### **Council Retreat**

**Mr. Swanson** discussed the open channels initiative, Council Communication Agreement, and teambuilding session with Dr. Bill Grace.

**Councilor Barnes** recommended a retreat to consider open channels, Communications Agreement, and Council appraisal.

The Council agreed to have its retreat after July 11.

**Councilor Loomis** wanted a list of recent facilitator costs.

**Mayor Bernard** adjourned the work session at 6:53 p.m.

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Pat DuVal, Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
JUNE 20, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1982<sup>nd</sup> meeting of the Milwaukie City Council to order at 7:05 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Mike Swanson, City Manager	Stewart Taylor, Finance Director
Gary Firestone, City Attorney	Paul Shirey, Engineering Director
Larry Kanzler, Police Chief	Katie Mangle, Planning Director
Kenny Asher, Community Development/Public Works Director	

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

- A. **Karen Martin** was recognized by Public Safety Advisory Committee (PSAC) Chair Susanna Pai for her service as the Hector Campbell Neighborhood District Association (NDA) representative and by Hector Campbell NDA Chair David Aschenbrenner for her service as the Association Secretary.
- B. **Sgt. Terry Marthaller** (retired) was recognized for volunteer service to the police department in his organization of the property room that reduced the City's liability and restored its credibility.
- C. **Sgt. Dave Rash** was given the Meritorious Service Medal for his efforts in coordinating law enforcement training that served as a statewide model. Sgt. Rash was also recognized by Crime Stoppers, Inc. for his dedication to the program
- D. Nature in the Neighborhoods Grants

**Metro Councilor Brian Newman** discussed recent Nature in the Neighborhoods grants awarded to several projects in and around Milwaukie. The Metro Council created this grant program last year as part of its Goal 5 efforts by transferring about \$1 million from solid waste. Watershed councils, schools, cities, and other similar groups from all over the region submitted applications. On May 27 Metro awarded \$560,000 in grants many of which had their own matches totaling about \$3 million in restoration projects. In Milwaukie, the Hector Campbell Neighborhood was awarded \$1,000 for Homewood Park trail enhancements. The Johnson Creek Watershed received \$16,000 for a community outreach brochure and signage projects, and Clackamas County Water Environment Services (WES) received \$25,000 for its 3 Creeks Community Restoration

Project. The Clackamas River Basin Council received \$72,000 to remove invasive species throughout the lower Clackamas.

The City of Milwaukie was a co-applicant with the Johnson Creek Watershed Council on the Klein Point restoration. Although it was a great application, it did not receive funding because the intent of the grants was to fund implementation and not the soft costs of engineering and design work that Milwaukie asked for. He hoped the City and Watershed Council would be able to find partners to cover those soft expenses so an application for implementation could be submitted in a future round of funding.

## **CONSENT AGENDA**

It was moved by Councilor Barnes and seconded Councilor Collette by to approve the Consent Agenda:

- A. **City Council Minutes of May 2, 2006 work session and regular session minutes;**
- B. **Right-of-way Agreement Extension with the Oregon Department of Transportation for the McLoughlin Boulevard Project;**
- C. **OLCC Application for ABC Kitchen located at 10880 SE McLoughlin Boulevard for a change in ownership;**
- D. **OLCC Application for the Sunny Corner Market located at 5020 SE Monroe Street for a change of ownership;**
- E. **Resolution No. 24-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Setting Fees for Services; Classifying the Fees Imposed by This Resolution as Not Subject to Article XI, Section 11B of the Oregon Constitution;**
- F. **Resolution No. 25-2006: A Resolution of the City Council of the City of Milwaukie, Acting as the Local Contract Review Board, Authorizing the City Manager to Execute Certain Contracts for Fiscal Year 2006 – 2007;**
- G. **Resolution No. 26-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving a Transfer of Appropriations;**
- H.
  1. **Resolution No. 27-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Supporting a Request for Funds to Metro under the Metro Transportation Improvement Program for Regional Flexible Funds to Design a Replacement McLoughlin Boulevard Bridge over Kellogg Creek to Allow Removal of the Dam and Restoration of the Creek.**
  2. **Resolution No. 28-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Supporting a Request for Funds to Metro under the Metro Transportation Improvement Program for Regional Flexible Funds to Build Sidewalk and bike Lane Improvements along 17<sup>th</sup> Avenue between Lava Drive and Ochoco Street.**

Motion passed unanimously. [5:0]

## **AUDIENCE PARTICIPATION**

- **Mike Guidoni, 4024 SE Jackson Street.**

**Mr. Guidoni** said the first time he was in this room was about a month ago during municipal court. The person he came to watch was his neighbor who had several code enforcement violations. Of all the people who were in court, the judge said fines were, for example, \$200 plus the amounts on the board. Except for this person. The judge saw this person had no violations other than this, but that was not quite true. He had a violation in 2004 but not a citation. The cost was \$500 per day for the citation that amounted up to \$26,500, but the judge fined him \$100. He did not know how the City

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could be fiscally responsible under these circumstances. He thought the Council might look at getting a different judge. He thought the judge should have some latitude, but it probably costs \$100 each time the car or truck was started to go look at the code violation. How could the City get by with a \$100 fine on a \$26,000 bill? The same person did not have a business license to rent out the house in the first place, and he did not intend to get one. There was no incentive unless violators were fined to the point they would take it seriously. The City was not getting cleaned up, and it was costing too much money. His water bill was going up, and his taxes were going up. This guy paid \$100 out of a \$26,000 fine.

**Mayor Bernard** suggested the Council discuss an ordinance for code violation fine reductions similar to the one it adopted for traffic violations. A lot of time and money goes into code enforcement, and he felt the City should ensure taxpayers' money was well spent.

**Mr. Guidoni** understood the judge's contract was up for renewal.

**Mayor Bernard** said under any circumstance he felt the Council needed an ordinance that restricted the reduction whether or not the judge's contract was expiring.

**Mr. Guidoni** thought the City should cover its expenses for trying to take care of these problems. People tend to shrug off compliance if they only have to pay \$100.

**Councilor Collette** had spoken with Mr. Guidoni about the issue and encouraged him to come forward and comment. The City was spending more money trying to get people to comply than could be recovered in a \$100 fine. She thought the Council should look at adopting an ordinance that established minimum fine amounts and consider the issue of renewing the judge's contract. Taxpayers were paying a lot of money, and this was an area where the City could help. It was being responsible.

**Mayor Bernard** was also greatly concerned about this. Years ago there was a citation on an overweight truck for \$15,000, and the judge lowered it to \$100. Not only were the Milwaukie police involved but also the state police. Shortly after that the state legislature established a maximum fine reduction.

- **David Aschenbrenner, 11505 SE Home Avenue.**

**Mr. Aschenbrenner** was concerned about the rebuild of Hwy 224 and Oak Street that would be six lanes wide. There was going to be a dedicated right turn lane from Oak to Hwy 224, two through lanes, and one dedicated left turn lane. There was no signal for the dedicated left-turn lane, which he thought was unacceptable. It was difficult to make a left-turn against two lanes of traffic and pedestrians crossing the intersection. He talked to a lot of people about this, and they thought it was a problem now and would be more of a problem with the new Oak Street project. The Hector Campbell Neighborhood voted to send a letter to the City to be forwarded to ODOT requesting that the left turn lane lights be installed. He believed the Ardenwald and Island Station Neighborhoods would make similar requests. He had not had a chance to go to the other Neighborhoods since many were taking the summer off. He intended to ask the Public Safety Advisory Committee for its support. He understood engineers had manuals they had to go by, but the common person looked at those guidelines and found them unacceptable. That many lanes of traffic at that kind of intersection with that many businesses with pedestrians just did not work. He asked the Council to be aware of the situation and take action in some way if it could. A letter would be nice because it was a cause Mr. Aschenbrenner felt needed to be addressed. The intersection was going to be re-built, and construction would start in the next few months. If studies had to be done to determine if the left-turn light was necessary he recommended at least putting in the facility. He could not believe a left-turn lane light would not be needed.

He was taking the cause around to the neighborhoods seeking their support, and people at the market just shook their heads and did not understand why there was no left turn lane light there now.

**Mayor Bernard** commented when he went to the Hwy 224 improvement open house. ODOT indicated it had forgotten to do the public outreach process. ODOT said it was going to put in a left turn light, and about a week later Mayor Bernard was told the ODOT representative had misspoken. He had asked for a meeting, but it had been delayed. He could lie down in front of the tractor to stall the project until it got straightened out. He thought the Council should send a letter to ODOT to deal with this matter because it was wrong.

**Mr. Aschenbrenner** blamed ODOT but not the project. He would be reluctant to lie down in front of the tractor, though.

**Mayor Bernard** remarked there was a proposal for 150 condos near that intersection.

**Councilor Collette** asked if the matter came up in the meeting with ODOT and if so what was the response.

**Mr. Shirey** attended a meeting with ODOT but had not realized Mayor Bernard had wanted to attend. He briefly reviewed the conversation. The good news in respect to this poorly operating intersection was the two additional lanes on Oak Street being built by Gramor would improve the situation even though there would not be a dedicated left-turn phase as part of the improvements because it was not warranted. Warrants were a threshold established by engineers to make it okay to do something like adding more green time one way and taking away green time the other way. In order to understand the problem a progression analysis needed to be done. The City talked to ODOT about its interest in participating in doing that. He also talked to ODOT about its willingness to come out and talk to people in a meeting labeled 'Why ODOT would not allow a left-turn signal on Oak & Hwy 224' meeting. He told them the house would be packed. They all laughed and agreed to do it. They needed to take the warrant matrix and turn it into language that a common person could easily grok. There was a reason for doing this, and it might make sense. In any event, the improvements would be done by the end of September and things would need to be looked at after the improvements were made. The meeting with ODOT should be some time this summer. The Transportation System Plan (TSP) was underway, and the analysis needed to be incorporated. ODOT was a willing player but just because people thought there was a problem did not mean there was a problem. It was a matter of quantifying the problem, and that was the progression analysis.

**Mayor Bernard** observed that was a horrible intersection. The McLoughlin Boulevard project was great, but in this case ODOT admitted it had overlooked the public input part of the Hwy 224 improvements. He sat at the table with the Joint Policy Advisory Committee on Transportation (JPACT) with the new head of ODOT where he said he wanted to attend any meetings. He felt there should be a way to apply some pressure. He was concerned Milwaukie would have to pay for it.

**Mr. Shirey** said a signal cannot be built if it was not warranted. If it did not meet the threshold test, ODOT could not fund it. The City could work with ODOT to get a better idea of how to get to the point of getting the left-turn signal installed, but it would not be part of the Hwy 224 preservation project.

**Mayor Bernard** asked if the condos were built up the street, could the developer be made to pay for a left-turn light.

**Mr. Shirey** replied the developer could be required to pay part of it, and the City would probably have to pay part of it as well. Given the land use issues around the area

Harrison, Monroe, and Oak Streets would have to be looked at together making it a complicated matter. The City wanted to be ahead of the development curve and have some answers. He noted there was a pre-application conference for that development later in the week, so the information was public.

**Councilor Stone** understood ODOT said the left-turn light was not warranted.

**Mr. Shirey** advised that ODOT did not think it was warranted, but they did not have the data.

**Councilor Stone** asked based on what.

**Mr. Shirey** said ODOT had the data from the Gramor traffic study. They have a formula for determining if it met the warrants.

**Councilor Stone** asked if that was an inclusive study or was it just the bare basics.

**Mr. Shirey** replied it was a very inclusive study.

**Councilor Stone** understood the progression analysis had not been done.

**Mr. Shirey** said Gramor was told if they were interested in a left-turn phase then they would have to do a progression analysis. It was not pursued.

**Councilor Stone** asked if Gramor could have been held accountable to do that.

**Mr. Shirey** said they could not. He speculated it was not something the state said Gramor had to do. He believed Gramor was looking at the option of doing the signal, but ODOT told them they would have to do the analysis.

**Councilor Stone** asked if it was possible that the progression analysis needed to be done in order to determine if the signal was warranted. Was that something that could be shared by the City, ODOT and the developer?

**Mr. Shirey** replied it was too late to capture the developer's interest or financial participation. It was something the City talked about with ODOT, and most of the cost would be on the City.

**Councilor Stone** asked the accident history at that intersection.

**Mr. Shirey** did not know.

**Mr. Aschenbrenner** said it was in the top five.

**Councilor Stone** recommended putting that with any letter because it gave credibility to the need for the turn signal. In her opinion, ODOT could not say it was not warranted without the data.

**Mr. Asher** explained the warrant test and progression analysis were two different things. The City might be able to get the dedicated signal if the warrant were met, but he understood that rarely happened at this kind of intersection. Information on volume and turning movements was collected as recently as last year. It was close but not warranted. The progression analysis looked at whether green time could be taken away from either Hwy 224 or Oak Street and be dedicated to a turn while still getting pedestrians and cars through the intersection. It was a different kind of study that was more qualitative. That might not even lead to a signal. There were also issues about getting poles that could support the lights. That was something the City could talk to ODOT about once the intersection was improved to determine how it operated.

**Councilor Stone** asked if ODOT was aware this was in the top five intersections that were problematic for accidents.

**Mr. Asher** did not believe that issue had been brought up, and staff would keep Council informed of any upcoming meetings with ODOT.

## **PUBLIC HEARING**

### **2006 – 2007 Budget Hearing**

**Mayor Bernard** called the public hearing on the 2006 – 2007 Budget and 2007 – 2011 Capital Improvement Plan to order at 7:55 p.m.

The purpose of the hearing was to consider resolutions required to effect the adoption of the FY 2006 – 2007 Budget and to hear public comment.

Staff Report: **Mr. Swanson** said in order to fully adopt the budget Council had to adopt three resolutions. The first was to declare the City's election to receive state revenue sharing that included alcohol, cigarette, and gas taxes. The second certified those services the City provided for state revenue sharing. The final resolution adopted the budget and the capital improvement plan (CIP), made appropriations, and categorized taxes for fiscal year 2006 – 2007. This was a public hearing as required by ORS 294.430(1). This was a hearing to accept comments on the appropriate use of state revenue sharing pursuant to ORS 221.770(1)(b) and (c). It was the time to comment on the budget as a general proposal and to comment on the use of state revenue sharing monies.

The Budget Committee took action on May 17, 2006 approving an annual budget of \$41,150,370. He provided a comparison with other years. The 2005 – 2006 budget was \$44,117,195 that included photo radar that was not authorized by the legislature. The actual budget for 2004 – 2005 was \$43,002,835, and 2003 – 2004 was \$41,064,232. There has been very little growth. The City did have a number of new programs including Code Red, which was an emergency notification system to contact residents of impending disasters or issues. The City was also looking at instituting a security system for library materials. This was a hold-the-line budget, but the City seemed to be able to squeeze more out of each year. Staff was one of the reasons why the City was able to get things like McLoughlin Boulevard, North Main, and the Riverfront Park moving even when funds were static. In terms of the amount of the levy, there were two areas where property taxes were directed. One was the general fund, and that levy was proposed to be \$3.9898 per thousand assessed value. The authorized permanent was \$6.5379 per thousand assessed value. However, the City did commit upon annexation to the Fire District that it would lower the levy of its permanent rate and reduce it by the amount of the District's permanent rate of \$2.4012. There was an additional decrease in the levy of the permanent rate in order to meet the commitment the City made to the taxpayers that there would be no net tax increase from the annexation, so the City made a further reduction of \$.1469 per thousand assessed value.

The process started at the beginning of the year to prepare budgets, and a number of months were spent with the Budget Committee that was made up of five citizen members plus the Council members. He noted that Budget Committee Chair David Aschenbrenner and member Mike Miller were present. The citizen members met with staff during the year to both monitor what was going on with the budget and also to discuss issues than came up. He expressed his appreciation to Finance Director Stewart Taylor who did most of the work on the budget preparation.

Correspondence: None.

Audience Testimony: None.

Additional Staff Comments: **Mr. Swanson** added that he would have an amendment before the Council related to Transportation System Plan (TSP) update.

Questions of Clarification: None.

**Mayor Bernard** closed the public testimony portion of the hearing at 8:04 p.m.

**It was moved by Councilor Loomis and seconded by Councilor Barnes to adopt the resolution declaring the City's election to receive state revenue sharing. Motion passed unanimously. [5:0]**

**RESOLUTION NO. 29-2006:**

**A RESOLUTION DECLARING THE CITY OF MILWAUKIE'S ELECTION TO RECEIVE STATE REVENUE SHARING.**

**It was moved by Councilor Collette and seconded by Councilor Barnes to adopt the resolution certifying services for state revenue sharing. Motion passed unanimously. [5:0]**

**RESOLUTION NO.30-2006:**

**A RESOLUTION CERTIFYING SERVICES FOR STATE REVENUE SHARING.**

**It was moved by Councilor Barnes and seconded by Councilor Stone to adopt the resolution adopting the 2006 – 2007 Budget and 2007 – 2011 Capital Improvement Plan, making appropriations, and declaring the ad valorem tax. Motion passed unanimously. [5:0]**

**RESOLUTION NO. 31-2006:**

**A RESOLUTION ADOPTING THE BUDGET AND CIP, MAKING APPROPRIATIONS, AND DECLARING AND CATEGORIZING TAXES FOR FISCAL YEAR 2006 - 2007**

## **B. Amendments to the Milwaukie Municipal code and Comprehensive Plan that address Community Service Uses and the Kellogg Creek Wastewater Treatment Plant – files ZA-06-01 & CPA-06-01**

**Mayor Bernard** called the public hearing on ZA-06-01 and CPA-06-012, legislative amendments to the Comprehensive Plan and Zoning Ordinance initiated by the City to order at 8:07 p.m.

The purpose of this hearing was to consider an ordinance to adopt proposed amendments to the Comprehensive Plan and Zoning Ordinance that include revisions to Comprehensive Plan provisions related to water resources, land use and public facilities and Zoning Ordinance revisions relating to community service uses.

This was a legislative decision by the Council and would be based on the following standards: The statewide planning goals; applicable federal or state laws or rules; any applicable plans and rules adopted by Metro; applicable Comprehensive Plan policies; and applicable provisions of implementing ordinances.

The City Council decision would be the final decision of the City. Failure to address a criterion or raise any issue with sufficient detail precludes an appeal based on that criterion or issue. Any party with standing may appeal the decision of the City Council to the State Land Use Board of Appeals according to the rules adopted by that Board.

Persons with standing are those who submit written comments or testify and sign the City Council Attendance sign-up sheet on the information table in the hall.

Conflicts of Interest: No member of Council declared potential or actual conflicts of interest as defined in ORS 244.

No member of the audience challenged any Council member's ability to participate in this decision.

### Conduct of Hearing

**Mayor Bernard** reviewed the conduct of the hearing. Because the staff report and applicant presentation is combined, the applicant may have 30 minutes. Representatives of groups may have 10 minutes, and individuals will be limited to 5 minutes.

Staff Report/Applicant Presentation: **Ms. Mangle** said there were two requests before the Council. The first was approval to amend the Milwaukie Municipal Code (MMC) 19.321 – Community Service Overlay. These amendments would change the name of the section, clarify the procedures and standards used to approve such uses, and modernize the language. The second action was (a) to amend the Comprehensive Plan in parts of Chapters 3, 4, and 5, and (b) to amend MMC 19.321.7 and 19.321.3, the community service overlay section. The amendments in section 2 would clearly state the City's policy to make reasonable efforts to bring about the decommissioning of the Kellogg Creek Wastewater Treatment Plant, make the Plant a nonconforming use, and set a deadline for the removal of such nonconforming community services (CSO) uses.

The community service overlay seemed unique to Milwaukie and worked well. It was an overlay zone for types of uses such as schools, religious institutions, parks and transit facilities. These were all permitted in Milwaukie under the community service overlay. Anything falling into this category was allowed in any zone including residential zones throughout the City. They did, however, have to meet more stringent requirements by meeting the design requirements for the underlying zone such as height and setbacks. One key criterion was that it must meet the public benefits test meaning that any impacts associated with the use must be counterbalanced by the public benefit of having the facility at that location.

**Mayor Bernard** commented on cell tower height.

**Ms. Mangle** said many categories in the CSO including schools, churches, and cell towers had specific design standards that applied to those categories. There was an entire section that addressed cell towers and height because if it were over 35-feet it would not be allowed in a residential zone. Any kinds of design aspects that were specific to those types of uses were addressed in the specific subsection in the CSO. That allowed a little more flexibility.

**Mayor Bernard** would like to look at the one for cell towers.

**Ms. Mangle** said Action 1 was the proposed housekeeping measures that modernized the language and cleaned up some of the CSO in the way it was communicated and practiced. Some of the key proposed changes included changing the title, which would be the Community Service Use (CSU). This and several other things would focus on this being a conditional use and less of a zone change. This has confused applicants, and the amendment would clarify the fundamental meaning of the zone. The amendments also neutralized gender and religious references. Right now there was a term regarding fraternal institutions that would be substituted with the term civic institutions. Churches would be more generalized by using the term religious institutions. The applicants, staff, and Planning Commission would be helped by the clarification of the standards and procedures for reviewing a CSU and make the criteria

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approval more clear. One of the changes she wanted to point out was that in the effort to neutralize religious references and apply the same standards to religious, private, and public institutions one of the changes would be that right now churches were allowed to be 35-feet high plus a spire. Public and private institutions were allowed to be 50-feet high. If the same standards were applied then religious institutions would also be allowed to be 50-feet high. Years ago churches were considered to be conditional uses and could be 50-feet high. It was not a huge policy change but rather a correction. They also more tightly defined the term 'spire' which was not currently defined in the code at this time. It would be 50-feet high with a more tight definition of the term 'spire' and that was what would apply to religious institutions.

Action 2 was the amendments that addressed the Kellogg Creek Wastewater Treatment Plant. The intent of the amendments was to strengthen existing City policy, to direct the City to actively seek alternatives to the continued use of the Kellogg Treatment Plant, limit expansion of the Plant, and eliminate the Plant's social, environmental, and economic impacts. It directed the City to plan for relocation of the sewage treatment to a more modern plant as part of a regional system to benefit the North Clackamas County community.

In 2005 the City and Clackamas County Service District #1 (CCSD) agreed to a regionalized wastewater treatment plan known as the Clearwater Plan that provided improved quality and service at ultimately lower rates. In June 2005 representatives from CCSD1 enthusiastically presented the draft plan at a Council work session. She had the minutes of that meeting for reference. The Plan included closing the Kellogg Treatment Plant as a viable option and a better solution for sewage treatment service for the County. That Plan remained a viable and better option for wastewater treatment than the continued use of the Kellogg Plant.

The proposed amendment made it clear that the City was to work with Clackamas County and CCSD1 and other parties including Metro to develop an alternate site for sewage treatment in a regionalized system. Ms. Mangle provided a map of the current site of the Plant and the current zoning which was Downtown Office (DO) and Downtown Open Space (DO). Those zones would not be affected by the proposed amendments.

**Mayor Bernard** understood Action 1 made a sewage treatment plant anywhere else under the CSU nonconforming.

**Ms. Mangle** replied Action 1 was just housekeeping amendments. Pump stations were already legal and would be processed through the community service overlay process. Pump stations were not the same as the Kellogg Treatment Plant, which was what was being termed as a major utility facility. That was not now addressed in any way in the code. Action 2 was two parts: (a) being the Comprehensive Plan amendments related to the Kellogg Creek Treatment plant. These amendments were focused on three parts of the Comprehensive Plan Chapters 3, 4, and 5. The City's policy was already to investigate options for closing the Kellogg Treatment Plant. These amendments directed City policy more clearly to actively pursue closing the Kellogg Treatment Plant. Key changes were in Chapter 4 instead of partnering with the County to investigate alternatives the language would be, "the City would use the best efforts to bring about the decommissioning of the Kellogg Wastewater Treatment Plant in an expeditious but orderly fashion that assured property sewage treatment for Milwaukie citizens while effectuating a transition of treatment at another location. The changes to Chapter 5 talked about cooperation with other agencies. It also required future planning efforts undertaken by the City to consider a regionalized sewer system in a facility other than the Kellogg Creek Plant.

Action 2(b) was the zoning code amendments related to the Kellogg Creek Treatment Plant. These were the changes to the zoning code that implemented the policy changes she described. The Comprehensive Plan was the policy direction, and the zoning code implemented the Comprehensive Plan with regards to land use. More specifically, they would specify that major utility facilities such as the Kellogg Treatment Plant were generally not permitted community service uses. She said generally because they may allow for the possibility there may be a major utility facility that had no impacts. It may be underground or something like that which if possible would be allowed. It was based on impacts. The code amendments included language that prohibited expansion, upgrades, or remodeling of the use except as required to abate nuisances or comply with federal or state statutes including the Clean Water Act. Further it established a fee for nonconforming major utilities that remained in use after January 1, 2016 with a fee set by the City Council at that time.

Amending the Comprehensive Plan and zoning code was a legislative process that required approval by both the Planning Commission and the City Council. At its May 23 meeting, the Planning Commission unanimously found that the amendments met the approval criteria including complying with local, state, and regional plans and policies. The Planning Commission recommended that the Council approve all the amendments with revisions that addressed CCSD1's concerns. The Planning Commission asked staff to consider some of the comments that were made at the hearing and make revisions in an attempt to address those. At the Planning Commission meeting Tom Sponsler and others testified against the amendments on behalf of the County and the Cities of Gladstone and Happy Valley. While the City did not agree with all the comments, some were reasonable, and in the spirit of continued cooperation staff tried to make adjustments to the amendments in order to address some of their concerns. She pointed out the revisions. One of the main complaints Mr. Sponsler included in his comments was that the amendments did not support or promote cooperation among the agencies and therefore did not meet statewide planning goals. Staff argued against that and included a revision to further clarify that it was a City policy to continue coordinating with Clackamas and CCSD1 in planning for the closing of the plant. Another revision stated the City would allow CCSD1 to make adjustments to the plan as needed to comply with federal or state statutes, regulations, or permits. The understandable concern was to keep the plant operating in the near term in a safe and environmentally sound way.

**Ms. Mangle** requested that the Council approve Actions 1 and 2 to amend the zoning code section and Comprehensive Plan Chapters 3, 4 and 5. Council had alternatives. It could chose not to approve the amendments; approve Action 1, the housekeeping amendments to section 19.321 that did not address the Kellogg Treatment Plan; or approve Action 2(a) the Comprehensive Plan amendments which were the policy changes related to the Kellogg Treatment Plant and action 2(b) the zoning code amendments related to the Kellogg Wastewater Treatment Plant.

**Mr. Firestone** added the Council may approve almost any combination of 1, 2(a), and 2(b). The only thing the Council could not really do was to approve 2(b) without approving 2(a).

**Mr. Swanson** made a recommendation that was not wholly consistent with Planning Commission's recommendation. One might ask if Ms. Mangle and Mr. Swanson talk and why did the recommendations differ. What he was going to suggest was not before the Planning Commission on the night it made its recommendation. Therefore, the Planning Commission as a separate body to literally protect its integrity it was important that what they did be presented as it happened. This was being done to protect the integrity of the Planning Commission. This was a fluid issue – he was talking specifically about wastewater treatment and CCDS1. He provided a brief history.

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Clearwater was adopted September 2005, and in January 2006 the Board of County Commissioners (BOC) cancelled the Clearwater Project and appointed a Citizens Advisory Council (CAC). The CAC was to develop a wastewater strategic plan for CCSD1. He introduced Eugene Schoenheit an original member of the CAC and Mike Kinsey who was the new director at Water Environment Services (WES). In January the CAC as part of its organizational efforts set out a process to arrive at a recommendation due by September 30, 2006. That was a quick turnaround considering work began in February. The CAC had gone through a number of steps that it set out to accomplish in February and March culminating last night in a lively discussion leading to the identification of four specific alternatives that would be the alternatives the engineering consultant will actually now go into an in-depth study. They created criteria and principles by which they would be measured. The CAC also adopted service projections, capacity assessment, and the four alternatives. He and Mr. Shirey had attended most of the CAC meetings, and WES staff has provided volumes of information that has been developed. The service projection and capacity assessment identified the future need as being 16.6, so as he gave the Council numbers those would somehow add up to 16.6 for each of the alternatives.

The four alternatives that were adopted were to retain Kellogg upgrading nitrification and route surplus to Tri-City meaning that Kellogg would handle 4.8 million gallons per day (mgd), and Tri-City would handle 11.8. The second alternative was again retaining Kellogg and would actually result in the construction of a new plant operated by CCSD1. The numbers for Kellogg would be 4.8 and 11.8 in the new plant. There was also an alternative that would be studied that would basically look at a 12.5 mgd at Kellogg, and 4.1 diverted to Tri-City. The fourth alternative was broken down into two sub-options which were to abandon Kellogg and diverting the 16.6 mgd flow to Tri-City, and the other was to divert the 16.6 mgd to a new plant to be constructed and operated by CCSD1. Those were the four options that would go forward and be studied in-depth.

There was good news and bad news from Milwaukie's standpoint. One of the pieces of good news was that none of the options looked at the full 16.6 being treated at Kellogg. The other good news was that none of the options anticipated an expansion of the footprint. Another piece of good news was the option of abandoning Kellogg was one of the four options. The not so good news was that there were three options that still placed some load on Kellogg and retained Kellogg. He thought it was a fair listing of options that would go forward. It was not an easy process, and there were times he had been frustrated with the CAC. There were probably times the CAC was frustrated with him, so it all balanced out.

**Mr. Swanson** believed it was still important for Milwaukie to participate in the process and cooperate in the process. One of the actions being proposed tonight put up a roadblock to moving forward in good faith. That was the amendment of MMC 19.321.7 and 19.321.3 the dealt specifically with the nonconforming use status and the required closure of the Plant on December 31, 2015. He recommended that the Council follow the Planning Commission recommendation with respect to the amendment of MMC 19.321, which was the section Ms. Mangle referred to as housekeeping. That needed to go forward and did not deal with this issue. He further recommended the Council follow the Planning Commission's recommendation with regard to the Comprehensive Plan changes in Chapters 4 and 5? However, he was further recommending delaying any action on the amendments to MMC 19.321.7 and 19.321.3. He suggested the Council do that until its first meeting in August. He would probably come back because September 30 was the date the CAC had to have its report, and he would hopefully be back on that date recommending a delay because he thought it would take four weeks for the engineering firm HDR to develop the cost figures. He suggested the Council adopt the Planning Commission recommendation on the housekeeping and

Comprehensive Plan amendments, but delay and set for a date certain the action on MMC 19.321.7 and 19.321.3 to limit the effect of putting that in the mix as the CAC went forward with its deliberations.

**Mayor Bernard** understood the current plant was a nonconforming use under the current CSO standards. There was a significant difference between a pump station and a treatment plant.

**Ms. Mangle** replied the code was silent and it was not listed. The last time the Planning Commission approved a minor modification of the CSO in 1999, the Commission was troubled by that and felt it had to continue making approvals for increasing the capacity of a plant that did not fit with the code and did not fit in the community. The plant was built with a conditional use permit in 1970, and that was how it was originally permitted. It has gone through several land use applications since then. The City had found a way to manage it.

**Mr. Firestone** added it did have a CSO approval as an amendment. The action was taken. He did not think the issue was directly addressed as whether a utility other than those listed under the general heading of utilities could be permitted as a CSO.

**Mayor Bernard** would like to see the CSU amended so that it would not allow sewage treatment plants to be built within the community from here on out. One of the comments made by a former director of that group was would Milwaukie rather have it built in its industrial area, and the answer was of course not. His concern was that there was a plant here now and the City needed to deal with it. What are we going to do in the future?

**Mr. Swanson** was not an engineer, but he understood – he wanted to make it clear he was not advocating that it be located in the City – but the construction of wastewater treatment facilities was a different animal nowadays. The technology was much different. He was not advocating that it be located in Milwaukie, but he also was not advocating limiting the options the CAC had. The City and CAC may find they are at odds on September 30, but he thought it was a better idea to be at odds on September 30 than it was during the process. There were still some options he thought would be well within Milwaukie's interests and satisfy them. There were other issues that could be discussed regarding mitigation. He did not believe the City would lose regulatory capabilities by saying let's give them a chance to do their work.

**Mayor Bernard** thought everyone would agree on that point. He understood sewage treatment plants were not what they used to be and that some utilities could be built underground. People might not know it even existed, and that might be a possibility next to the river.

**Ms. Mangle** said right now major utility facility was not listed as an approved community use. There was a category for other similar facilities as determined by the Planning Commission. She thought the Planning Commission and staff would be comfortable for a new facility not to listed as a use applicable for a CSO.

Additional Correspondence: None.

#### Testimony in Support of the Application

- **Gary Klein, 10795 SE Riverway Lane.**

**Mr. Klein** was in complete agreement with Mr. Swanson's recommendation and thought it was a great idea to work with the CAC. He understood the Kellogg Creek Sewage Treatment Plant had an advisory board, but Milwaukie did not have a seat on the board. He recommended that until Kellogg was gone that Milwaukie should propose having a member on the board. It seemed unusual that Milwaukie used 30% - 40% of the

capacity but had no one on the board and had now say in the planning. He thought Milwaukie should have someone on the board, so the City can have an inside view of what was going on. The Plant was in Milwaukie's city limits and treated the City's sewage, so he thought that should be corrected.

**Mr. Swanson** explained during the creation of the CAC that was an issue he talked to the BOC and County Administrator about. The CAC was actually an advisory board to CCSD1. Once the board finished this task, it would continue as an advisory board. The City was not part of CCSD1; it was a wholesale customer. One of the issues that had to be discussed in the CAC process eventually was the City's status. He did not believe that would be changed today. This process was open – sometimes excruciatingly so – and he believed Milwaukie knew what was going on. That was an issue down the road that would have to be considered. He did not see Milwaukie getting a member now because the group was about half way through the process. Milwaukie would continue to weigh in.

**Mayor Bernard** added people were advised of the meetings and did sit in.

Neutral Presentations – None.

Presentations from those opposed to the proposal

- **Tom Sponsler, 1750 SW Harbor Way, Portland**

**Mr. Sponsler** was an attorney representing CCSD1 and Cities of Gladstone and Happy Valley. He appeared in the room on May 23 and presented a long letter raising many legal issues and concerns about an earlier iteration of the zoning and Comprehensive Plan amendments. Staff had done yeoman's work in the intervening time and made some substantial changes almost all of which were substantial improvements. The letter he wrote dated June 19 was much shorter than the one submitted on May 23. Some of the legal issues in his arsenal had been taken away, and that was a good thing. He commended staff and the City Manager who had worked hard to broker and mediate and to try to get people who at times had been unreasonable to be more reasonable in addressing issues of common concern and regional issues. The Planning Director did an outstanding job. His observation was that the staff report the Council received was a much improved version from the Planning Commission's. The issues were sharpened a bit partially due to his participation. Even the City Attorney had been reasonable. The City Manager's comments in large measure made his job more difficult. On the other hand he did not have to raise the legal concerns with quite as much force as he would have if the City Manager had not recommended this compromise position. On the other hand he still needed to raise those issues, and he needed to differ with Mr. Swanson's recommendation again. A lot of issues raised before the Planning Commission had been addressed, and the language changes to the planning amendments were all improvements. The zoning code amendments were also substantially improved from his clients' perspective. The zoning code amendments were also substantially improved from his perspective because it would have been impossible to continue to operate the Plant. As he pointed out the Planning Commission CCSD1 needed to comply with federal and state law. As every city attorney knew city law did not prevail over state and federal law. They were permitted to operate the Plant under DEQ under state and federal law. The city attorney had made changes to the proposed amendments to the zoning code that recognized that. That took care of probably the most significant legal arguments that were raised.

**Mr. Sponsler** had no objections whatever to what was presented as Action 1 – the housekeeping amendments to 19.321 – that was fine. He had not raised any objections before and had none now. As a drafter he saw a marked improvement to consistency and clarity. He was still concerned about Action 2(a). As welcome as the City

Manager's comments were regarding Action 2(b) he still had concerns. He addressed the Comprehensive Plan amendments. He still believed there were Goal 11 issues. It had not been called to the Council's attention but it might be aware there was a Sewer Master Plan from 1994. That was premised upon treatment continuing at the Kellogg Plant. There was nothing before the Council whether it was postponed or not to amend that Plan. If the Council did approve the Comprehensive Plan amendments, then it would be bringing an inconsistency between the Sewer Master Plan and the Comprehensive Plan, which violated state law. There was a two-part issue about Goal 2. One was the inconsistency violated Goal 2, and as the Planning Director pointed out there was a coordination issue that required that a regional plan would require the City to work with other cities, CCSD1, and the County who were also using the treatment plant and had needs for a replacement plant if Kellogg were to be decommissioned. The heart of the Goal 11 objection to the Comprehensive Plan amendments was that Goal 11 required the City to do more than to say it was working on a replacement. There needed to be a feasible alternative to the existing sewage treatment in the City of Milwaukie. Failure to do that could be a violation of Goal 11.

**Mr. Sponsler** said in summary he still objected to the adoption of the Comprehensive Plan amendments and urged the Council to add those to 2(b) and postpone the decision to August 1 in order to explore other options. He said he would shorten his comments on the zoning amendments because it was his read of the Council that it was willing to go along with the City Manager's recommendation which Mr. Sponsler endorsed. There were still the same legal objections related to statewide Goals 11 and 2. There were additional legal objections because if the City made the Plant go away, then that would constitute a taking of that Plant and a reverse condemnation, which the City could not do without compensation to CCSD1. He did not think the Council by its own fiat could close that District-owned Plant. Those were not necessarily land use issues but were legal issues if the City tried to require abandonment of the Plant. Those issues were all set forth in his letter.

**Mr. Sponsler's** final comments had to do with fiscal impacts. The staff report stated there were no fiscal impacts, but he had a different view. There were two parts. There were significant fiscal impacts and there may be argument upon whom that impact fell. First the City of Milwaukie had a series of intergovernmental agreements (IGA) with the District that required the District to take the sewage. As the City Manager pointed out, the City was not within the District unlike the Cities of Happy Valley and Gladstone. Those cities had a different relationship with CCSD1. Milwaukie had a contract in a series of IGAs. One of the salient provisions provided for the pass through of costs. If the Council's action required the District to expend significant sums of money to replace the Plant those costs would under the contract be passed through to the customers in the City of Milwaukie. His rough and quick estimate could amount up to \$83 per customer per month. The second part was that if the Council required the termination of the Kellogg Plant, then it would have to figure out another way – if the IGA went away – the City might decide to build its own plant or go elsewhere all of those would have significant costs as well. In conclusion Mr. Sponsler urged the Council to add to the City Manager's recommendation and postpone taking action on 2(a) and 2(b) and to allow more time to work through some of the issues and to continue to allow the CAC to do its work because while some may disagree with what the odds were – and he was not going to pull out a Powerball and predict the results of that – there was at least a chance that the recommendation of the CAC would be to do away with the Kellogg Plant. Legally the District cannot accept the City's requiring that by taking legal action in the Comprehensive Plan.

## Staff Rebuttal:

**Mr. Firestone** addressed some of the comments. The City did not believe there was any Goal violation. There was continued cooperation with the District as called for in the Plan. As to planning for facilities this was planning for facilities. The City was party to an IGA that provided for an improved wastewater treatment system. The City cannot ignore the fact that there was a plant out there that was better than the current plant, and that needed to be recognized in the City's planning. As to the taking issue there was no taking. This would be a regulatory taking if any, and the County can still use the Plant. The County could also use the same property for office and other uses. There were a wide range of uses allowed in the DO zone. Under regulatory taking there was a taking only if the District was deprived of all legitimate use, and the City was not doing that. The fiscal impact issue was primarily one outside of his area, but generally speaking the City had already planned for the ultimate transition from the use of the Kellogg Treatment Plant to a regionalized system. To that extent the fiscal impacts did not come from these plan amendments and code changes. With all that being stated he was not advocating that the Council go along the lines as recommended by the Planning Commission, and he certainly supported the position taken by the City Manager. Was the other legally defensible? Yes.

**Mayor Bernard** addressed Goal 11. There was already an alternative that everyone adopted. An IGA was written and signed, and the County Commissioners accepted it. Failure to meet Goal 11 was not true if one took Clearwater into account. That was why he felt it was important to adopt the Comprehensive Plan amendments. He agreed with Mr. Swanson in terms of delaying the second portion.

**Mr. Firestone** stated the changes that would meet Council direction if it followed the City Manager's recommendation which was to go with Actions 1 and 2(a) but not 2(b). The changes he would recommend were to change the ordinance itself that had been distributed. The last 'whereas' would need to be amended to read, "Whereas the City Council has held a duly noticed public hearing to consider the Planning Commission's recommendation and has decided to adopt the changes to the Comprehensive Plan and Municipal Code recommended by the Planning Commission other than the Municipal Code provisions relating to major utility facilities and has decided to alter some of the language and add additional language for clarity and consistency." That would be the one change to the body of the ordinance. There would be a couple of changes to Exhibit 1 that was circulated. That was the exhibit that included the Comprehensive Plan amendments. One of the changes would be to change Comprehensive Plan Chapter 4 – Recreational Needs Element, Objective 7, Policy 5 to amend the second to last sentence to read "reasonable efforts may include (rather than shall include) revising the Zoning Ordinance to make the existing facility a nonconforming use and restricting any modification of the sewage treatment use of that site." Another change to the Comprehensive Plan would be to Chapter 5 – Public Facilities and Surfaces Element, Objective 5, Policy 5. Amend the last sentence to read, "future sewage and wastewater facility plans and related planning efforts shall take into account and plan for a regional sewage system and facility other than the current Kellogg Treatment Plant to allow the option of putting a better plant rather than the existing plant." The code amendments that would need to be made would be to change the hearing on section 19.321.2B from specified utilities to just utilities, which would leave the current ambiguity.

**Mayor Bernard** was concerned no one would remember all of that when it came time to make a motion because the hearing had to been closed.

**Mr. Firestone** advised the Council could move to adopt the ordinance with the amendments as stated by the City Attorney. He would also have copies of the amended version for the Council to look at during a break. There were three other

small changes. They were all deletions. One was section 19.321.2B10, 19.321.3 that would be kept for future use, and 19.321.7 that would be kept for future use. If the Council decided to follow that recommendation, it might want to reschedule further action on the same matter to some date certain.

**Mayor Bernard** closed the public testimony portion of the hearing at 9:07 p.m.

#### Council Discussion

**Councilor Loomis** supported the City Manager's recommendation.

#### Council Decision

**It was moved by Mayor Bernard and seconded by Councilor Barnes for the first and second reading by title only and adoption of an ordinance amending provision of the Milwaukie Comprehensive Plan relating to water resources, land uses and public facilities and amending Section 19.321 of the Municipal Code relating to community service uses, with the amendments as read by the City Manager. Councilor Barnes seconded the motion. Motion passed unanimously. [5:0]**

**Mr. Swanson** read the ordinance two times by title only with the changes. The body of the ordinance in the last 'whereas' clause was amended to read, "Whereas the City Council held a duly noticed public hearing to consider the Planning Commission's recommendation and has decided to adopt the changes to the Comprehensive Plan and Municipal Code recommended by the Planning Commission other than the Municipal Code provisions relating to major utility facilities, and has decided to alter some of the language and add additional language for clarity and consistency. Exhibit 1 – Comprehensive Plan Chapter 4, Recreational Needs element, Objective 7 Policy 5. The second to last sentence is amended to read, "Reasonable efforts may include revising the Zoning Ordinance to make the existing facility a nonconforming use and restricting any modifications of the sewage treatment use at that site." Exhibit 1 – Comprehensive Plan Chapter 5, Public Facilities and Services Element, Objective 5, Policy 5. The last sentence is amended to read, "Future sewage and wastewater facility plans, and related planning efforts, shall take into account and plan for a regional sewage system and facility other than the current Kellogg Creek Plant." Exhibit 2 – Code amendments. The hearing for Section 19.321.2B is changed from "specified utilities" to "utilities." The proposed 19.321.2B10 is deleted. The proposed 19.321.3 is deleted, but the number is reserved for future use. The proposed 19.321.7 is deleted, but the number is reserved for future use.

**The City Recorder polled the Council: Mayor Bernard and Councilors Barnes, Collette, Loomis, and Stone voting 'aye.' [5:0]**

#### **ORDINANCE 1962:**

**AN ORDINANCE AMENDING PROVISIONS OF THE MILWAUKIE COMPREHENSIVE PLAN RELATING TO WATER RESOURCES, LAND USES, AND PUBLIC FACILITIES AND AMENDING SECTION 19.321 OF THE MUNICIPAL CODE RELATING TO COMMUNITY SERVICE USES.**

**It was moved by Mayor Bernard and seconded by Councilor Collette to continue unresolved portions of the proposed amendments to a date certain of August 15, 2006. Motion passed unanimously. [5:0]**

## **Council Reports**

**Mr. Swanson** said the first meeting in July would be on July 6 because of the July 4<sup>th</sup> holiday.

**Mayor Bernard** reported that Metro Councilor Brian Newman, developer Tom Kemper, and he were interviewed by the *Business Journal* regarding the downtown.

**Councilor Barnes** worked at the Sunday Farmers' Market Community booth, and all visitors with one exception were very positive about the changes occurring in the downtown area. She would attend the Clackamas Cities monthly dinner meeting. The Sabin-Schellenberg Center wrote a grant for the Library Board to produce its television programming, and she would meet with the Board on Monday.

**Councilor Loomis** attended his son's graduation ceremony from Oregon State University, and his son got his first teaching job.

**Councilor Collette** attended a luncheon of the Clackamas Community College Blue Ribbon Committee that selected the health care facility site at Harmony Campus. Those involved expressed their appreciation for the cooperative nature of the City of Milwaukie. She also attended Clackamas Community College's GED graduation ceremony, and as a Board member she got to hand out diplomas.

**Mayor Bernard** announced the City of Milwaukie had been selected as a tour city for the League of Oregon Cities conference in September, and he would send letters to all the downtown businesses to encourage them to beautify the areas in front of their stores. The grand opening of McLoughlin Boulevard would be on June 28, and Chief Norm Whiteley's retirement reception is on June 29.

## **ADJOURNMENT**

**It was moved by Councilor Collette and seconded by Councilor Barnes to adjourn the meeting. Motion passed unanimously. [5:0]**

**Mayor Bernard** adjourned the regular session at 9:28 p.m.

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Pat DuVal, Recorder

## MINUTES

### MILWAUKIE CITY COUNCIL WORK SESSION July 6, 2006

**Mayor Bernard** called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: Community Development/Public Works Director Kenny Asher, Resource and Economic Development Specialist Alex Campbell, Engineering Director Paul Shirey, Planning Director Katie Mangle, and Information Coordinator Grady Wheeler.

#### **Oregon Department of Transportation (ODOT) Pedestrian & Bike Grants FY 2008/2009**

**Mr. Campbell** reported the State had about \$5 million available for grants, and staff was seeking authorization to submit an application for sidewalks on Logus Road. This was a walking route to school and a heavily used TriMet route.

**Councilor Stone** asked how much of the street would actually be built with sidewalks.

**Mr. Campbell** had conformation from ODOT that sidewalks can be constructed on one side of the street on a retrofit project like this. Engineering would help him scope the project, and he hoped sidewalks could be installed on one side of Logus Road from Stanley Avenue to 49<sup>th</sup> Avenue using a green street design. This would improve the scoring on the grant application. A green street design was likely more expensive, but construction costs would be less.

**Councilor Collette** thought it might be useful to tie into the fact that Lewelling School was an environmental magnet school.

**Mr. Campbell** believed Mr. Asher had initial discussions with Lewelling Neighborhood District Association (NDA) Chair Jeff Klein.

**Councilor Stone** asked if the Llewellyn Street and Franklin Street sidewalk programs that were also identified in the School Trip Safety Program (STSP) were in Hector Campbell.

**Mr. Campbell** said both were near schools, but not immediately in front of schools as Logus Road was.

**Councilor Stone** asked how much the City's match would be.

**Mr. Campbell** replied a 10% match would be about \$70,000, and there may be other sources of funding.

**Councilor Stone** said typically sidewalk projects were piecemealed because of funding. She would like to see an emphasis on finishing sidewalks and particularly heavily used routes such as Roswell Street.

#### **Texaco Site Redevelopment Advisory Committee Interviews**

The Council interviewed Ed Zumwalt, Beth Wasco, Mike Stacey, Alice Rouyer, Gary Klein, Mary King, Donald Hammang, John Denny, Charmaine Coleman, Ray Bryan, and David Aschenbrenner.

**Mayor Bernard** adjourned the work session at 5:58 p.m.

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Pat DuVal, Recorder

City Council Work Session – July 6, 2006

Draft Minutes

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To: Mayor and City Council

Through: Mike Swanson, City Manager

From: JoAnn Herrigel, Community Services Director

Subject: Amendments to Intergovernmental Agreement with Metropolitan Area Communication Commission

Date: August 4, 2006

**Action Requested**

Approve a resolution amending an intergovernmental agreement (IGA) with the Metropolitan Area Communications Commission (MACC) to decrease the rate of franchise fee revenue that the City pays MACC for Comcast contract administration from 28% to 23%, extending the term of the agreement to December 31, 2009 and authorizing the City Manager to sign the amendment.

**Background**

Since 2000, the City of Milwaukie has contracted with the Metropolitan Area Communication Commission (MACC) to administer our Comcast cable franchise. MACC provides day-to-day customer service to City cable customers, monitors state and federal legal and political cable and telecom issues, and ensures that Comcast complies with all aspects of the franchise, including franchise fee payments. In return for their services, according to the IGA, the City pays MACC 28% of the franchise fees we receive from Comcast on a quarterly basis.

At the City's request, MACC staff has reviewed the level of funding they receive from Milwaukie and has agreed to reduce the percentage of franchise fees the City pays by 3% (from 28% to 25%) a reduction that will save the City approximately \$8,500 in 2006-07 and in future years.

In addition, the current contract term ends in June of 2008 and MACC and City staff are proposing to extend the term of the agreement to December 31, 2009. The agreement allows the City or MACC to terminate with notice at any time.

**Concurrence**

The Community Services Director and the City Manager agree that the services provided by MACC are valuable to the City and support these amendments. MACC staff has obtained the approval of their Finance Committee to sign the proposed amendment.

**Fiscal Impact**

The proposed fee change will save the City \$8500 in 2006-07 and similar amounts in future fiscal years.

**Work Load Impacts**

The agreement with MACC minimizes the amount of work the Community Services Director and the City Manager must spend on Comcast and other telecom issues. No additional work load will result from this action.

**Alternatives**

Deny approval of the resolution amending the IGA with MACC.

**Resolution No. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE AMENDING AN INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE METROPOLITAN AREA COMMUNICATIONS COMMISSION (MACC) TO DECREASE THE RATE OF FRANCHISE FEE REVENUE THAT THE CITY PAYS MACC FOR COMCAST CONTRACT ADMINISTRATION FROM 28% TO 23%, EXTENDING THE TERM OF THE AGREEMENT TO DECEMBER 31, 2009 AND AUTHORIZING THE CITY MANAGER TO SIGN THE AMENDMENT**

**WHEREAS**, MACC and City renewed the IGA in 2002 via Amendment Number One, and again in 2005, so that the IGA remains in force through June 30, 2008; and,

**WHEREAS**, MACC and City desire to reduce the rate of franchise fee revenue which the City pays MACC from 28% to 23% effective July 1, 2006; and,

**WHEREAS**, the parties now wish to mutually and formally provide for the continuation of their original understandings, except as modified herein,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON THAT** the intergovernmental agreement (IGA) with the Metropolitan Area Communications Commission (MACC) be amended to decrease the rate of franchise fee revenue that the City pays MACC for Comcast contract administration from 28% to 23%, extending the term of the agreement to December 31, 2009 and the City Manager is authorized to sign that amendment.

This resolution is effective upon adoption.

Introduced and adopted by the City Council on \_\_\_\_\_, 2006.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED TO FORM:  
Ramis, Crew & Corrigan

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

AMENDMENT NUMBER TWO  
TO  
**INTERGOVERNMENTAL AGREEMENT**  
Between  
CITY OF MILWAUKIE, OREGON and the  
METROPOLITAN AREA COMMUNICATIONS COMMISSION

This Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006 by and between the City Of Milwaukie, Oregon, a political subdivision of the state of Oregon (hereinafter "City") and the Metropolitan Area Communications Commission (hereinafter "MACC").

WITNESSETH

**WHEREAS**, City and MACC did, effective July 1, 2000, enter into an Intergovernmental Agreement (IGA) for the purpose of transferring to MACC, on a fee-for-service basis, certain cable television franchise administration responsibilities associated with City's cable agreements with Comcast; and,

**WHEREAS**, MACC and City renewed the IGA in 2002 via Amendment Number One, and again in 2005, so that the IGA remains in force through June 30, 2008; and,

**WHEREAS**, MACC and City desire to reduce the rate of franchise fee revenue which City pays MACC from 28% to 23% effective July 1, 2006; and,

**WHEREAS**, the parties now wish to mutually and formally provide for the continuation of their original understandings, except as modified herein,

**NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND COVENANTS CONTAINED IN THE ORIGINAL AGREEMENT AND IN AMENDMENT NUMBER ONE AND IN THE CURRENT AGREEMENT ADOPTED AND EFFECTIVE JULY 1, 2005, CITY AND MACC DO HEREBY AGREE AS FOLLOWS:**

Article 4 – Compensation and Method of Payment is amended as follows effective July 1, 2006:

**Comcast Agreement** -- MACC and City agree City should pay MACC its fully allocated share of the costs for administering the Comcast agreement. MACC and City have determined that a payment by the City to MACC derived from the cable franchise will result in appropriate compensation to MACC for services to be performed hereunder. Therefore, the City shall disburse 23% of its quarterly payments of franchise fees to MACC within fifteen (15) working days following City's receipt of Comcast's franchise fee payment for the previous calendar quarter.

**4.1 Future Agreements** -- Should the City grant a separate cable television agreement to another provider during the term of this AGREEMENT which MACC would administer, MACC will be compensated for such work. The City and MACC will negotiate such assistance as a separate agreement. Comcast Agreement: MACC and City agree the term of this AGREEMENT shall be from July 1, 2006 through December 31, 2009 inclusive.

The above revision shall become effective July 1, 2006. The payment to MACC for the April-May-June 2006 quarter will be at the current MACC rate of 28% and shall be based upon the payment which City will receive from the grantee for the April-May-June 2006 quarter. This payment is to be received by

City on or about August 15, 2006; City shall pay this share to MACC in accordance with Article 4 of this AGREEMENT.

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2006 IN MILWAUKIE, OREGON.

METROPOLITAN AREA  
COMMUNICATIONS COMMISSION

CITY OF MILWAUKIE

\_\_\_\_\_  
Bruce Crest, Administrator

\_\_\_\_\_



**To:** Mayor and City Council

**Through:** Mike Swanson, City Manager  
Kenny Asher, Community Development/Public Works Director

**From:** Kelly Somers, Public Works Operations Director

**Subject:** Award Janitorial Contract to Diversified Abilities for \$110,000 for FY 2006-2007 with Option to Renew Up to Four Additional Years

**Date:** July 12, 2006

### **Action Requested**

Award the janitorial contract in the amount of \$110,000 to Diversified Abilities, a Qualified Rehabilitation Facility (QRF), which is a nonprofit agency for disabled individuals. Diversified Abilities is requesting that the contract for janitorial services be renewed under the Products of Disabled Individuals Law. ORS 279A.025 (4) statutorily exempts Qualified Rehabilitation Facilities (QRF's) from the competitive bid process, and ORS 279.835.855 outlines the purpose and process under which the law operates. Staff recommends contracting for this fiscal year, with the option to renew up to four additional years, for a total of five years.

### **Background**

Facility Maintenance contracts yearly with an outside contractor to provide janitorial service to the City to clean the City's five buildings: City Hall, Ledding Library, Public Safety Building, Public Service Building, and the Public Works Operations Building.

Diversified Abilities is a Qualified Rehabilitation Facility (QRF) janitorial company based in Clackamas, Oregon. The mission of the company is to insure long-term job opportunities for people with disabilities. The company has a history of providing janitorial services to various cities in the area, including the City of Milwaukie. Diversified Abilities is a qualified nonprofit agency for disabled individuals, and an

employer of disabled individuals who the State seeks to benefit from as described herein.

This past year Diversified Abilities (formerly D & A Janitorial Services) was granted QRF status with the State of Oregon. Diversified Abilities has worked hard with city staff in increasing their efficiency and improving their work program to fit the needs of each of the City's buildings. City staff works closely with supervisors for Diversified Abilities to insure that noted deficiencies are quickly corrected. City staff believes that because of Diversified Abilities knowledge of our City buildings, work schedules, and special needs they are a better option to continue business with them rather than start out with a new company.

In 1977, the State of Oregon legislature passed the "Products of Disabled Individuals Act which legislated and implemented rules which provide that if any public agency intends to procure certain specified products or services, that public agency shall procure such products or services from a qualified nonprofit agency for disabled individuals in accordance with rules adopted by, and at prices established by, the Oregon Department of Administrative Services. Janitorial services are on the list of specified services within the scope of the legislation as described above.

### **Concurrence**

The Facilities Maintenance Coordinator agrees with this proposal.

### **Fiscal Impact**

Staff has included the \$110,000 cost in the Facilities Budget for fiscal year 2006-2007.

### **Work Load Impacts**

The Facilities Department has included working with the janitorial services in its work program.

### **Alternatives**

1. Contact another QRF and negotiate a contract. The disadvantage would be working with a new company through their learning curve, background checks for employees, and the chance that their services would not meet our needs.

# ATTACHMENT 1

## Oregon Rehabilitation Association

1655 25<sup>th</sup> St. SE, Salem, OR 97302 ~ 800/766-6273 ~ 503/585-3337 ~ Fax: 503/585-3722  
[www.oregonrehabilitation.org/qrf](http://www.oregonrehabilitation.org/qrf)

Kelly Somers  
CITY OF MILWAUKIE  
10722 SE Main Street  
Milwaukie, OR 97222

DIVERSIFIED ABILITIES, a QRF, (PO Box 2273, Clackamas, OR 97015) is requesting that contract for janitorial services be renewed under the Products of Disabled Individuals Law. ORS 279A.025 (4) statutorily exempts Qualified Rehabilitation Facilities (QRFs) from the competitive bid process, and ORS 279.835-.855 outlines the purpose and process under which the law operates.

If you have any questions about the Products of Disabled Individuals Law, please call Stephen Mock at the Oregon Rehabilitation Association at (503) 585-3337 or the QRF Coordinator at the Oregon Department of Administrative Services State Procurement Office at (503) 373-0975.

Diversified Abilities, is a QRF janitorial company based in Clackamas, Oregon. The mission of the company is to insure long term job opportunities for people with disabilities. They have a history providing janitorial services to various cities in the area.

Stephen Mock, Oregon Rehabilitation Association  
Patty Beans, Dept. of Administrative Services



**Department of Administrative Services**

**STATE PROCUREMENT OFFICE (SPO)**

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**Request for Approval of Price Determination**

For Janitorial Services Contract # \_\_\_\_\_  
(product or service)

Total Price: \$ 109,907.59 per yr

Requesting Agency: CITY OF MILWAUKEE - 5 sites

Requesting QRF: Diversified Abilities

Agency and QRF agree the proposed price and supporting documentation meets the requirements of OAR 125-055-0030.

[Signature] date: 6/14/06  
Authorized Agency Signature

F. KELLY SOMMERS  
Print Name

ANN TOTH Director date: 6-14-06  
Authorized QRF Signature

ANN TOTH  
Print Name

DAS/SPO has reviewed the submitted documentation supporting the price offered by the QRF and approves the price for procurement of the above stated product or service in accordance with OAR 125-055-0030.

[Signature] date: 6/30/06  
DAS/SPO QRF Coordinator


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## Qualified Rehabilitation Facilities

### How to do Business with QRF

#### What is a Qualified Rehabilitation Facility "QRF" and what do they do?

A Qualified Rehabilitation Facility "QRF" is a non-profit organization that puts Oregonians with disabilities to work. It is a place of business and a training facility; with workshops, equipment, class and meeting rooms, offices and other business necessities. Many QRFs have other business locations as well, such as a downtown office, bakery or mailroom.

The mission of a QRF is to help disabled people achieve self-confidence and self-sufficiency by working in the community in which they live and becoming productive citizens. A QRF often has a variety of programs to help disabled people achieve maximum economic and personal independence through vocational development. It is "qualified" because its programs are registered and reviewed on a regular basis by various state and federal agencies such as the [Oregon Department of Human Services \(DHS\)](#), Oregon Department of Administrative Services (DAS) and the [National Industries for the Severely Handicapped \(NISH\)](#). Disabled people are referred to a QRF from the [Vocational Rehabilitation](#) or [Mental Health Divisions](#) of the Oregon Department of Human Services.

A QRF works to put its clients to work. Disabled people want to work just as we all do; doing a good job at something satisfying, for a decent, living wage. There are approximately 47 QRFs around the state of Oregon. Every QRF puts a lot of energy into finding and creating opportunities that provide jobs for disabled people, as well as quality products or services to their customers. Today, QRFs provide work for nearly 6,000 Oregonians through their varied business enterprises.

#### What are the reasons to do business with a QRF?

As a purchasing agent or buyer for a taxpayer-supported political subdivision, such as a city, county, school district, or an agency of the state of Oregon, there are several reasons to do business with a QRF:

1. It is the right thing to do. People who work in a QRF business need your help; jobs depend on business orders. There are thousands of Oregonians who are out of work because of a disability. As a public purchasing agent, you can make a difference. Your cooperation and willingness to buy goods and services from QRF businesses puts disabled people to work.
2. It is the smart thing to do. Oregonians with a disability who earn a wage require less taxpayer money. Your participation makes a difference to all Oregon taxpayers.
3. It puts you in the driver's seat. A negotiated contract process can allow you to tailor specifications to get exactly the product/service or performance you want. The long-term relationship with a QRF makes contract renewals a breeze. It also reduces the time to establish a contract.
4. It is the necessary thing to do. In 1977, the Oregon legislature passed the "[Products of Disabled Individuals](#)" act. This law obliges all state and local governments, school districts, and other tax-supported political bodies in Oregon to purchase goods and services from QRFs when the product or service is listed on the DAS Procurement List and meets the agency's requirements. The details of this act are contained in Chapter 279.835-855 of the [Oregon Revised Statutes \(ORS 279\)](#). This Chapter, "Public Contracts and Purchasing," spells out to all tax-supported state and local agencies how they are to spend the taxpayers' money on needed goods and services.

#### When should you do business with a QRF?

Anytime you plan to make a purchase of the types of goods or services listed in the DAS Directory of Qualified Rehabilitation Facilities ([Procurement List](#)), you are obliged to procure it from the listed QRF if it meets your specifications and is available when you need to have it.

#### Who's in charge of this program?

The State Procurement Office (SPO) of the Oregon Department of Administrative Services (DAS) manages the Products of the Disabled program. SPO approves each QRF in Oregon, and manages the list of those goods and services determined suitable for procurement by state and local governments, school districts and other taxpayer-supported agencies. It is the duty of SPO to work cooperatively with the QRF and the agency.

### **Why doesn't a QRF have to compete with other businesses for Government Contracts?**

Taxpayer-supported state and local political subdivisions do business with QRFs on a non-competitive basis. This means a QRF is not required to bid for your purchases in competition with for-profit contractors. Some of the reasons for this special treatment of QRF business enterprises are:

1. QRFs are non-profit enterprises. They have a mission to provide employment services to disabled members of the community.
2. QRFs provide special employment support to people with disabilities that cost time and money. Workers with disabilities require accommodations such as special training and job modifications that go far beyond what a commercial business could be required to provide.
3. The investment in the disabled worker is high, but in terms of public benefit it is returned many times over when long-term employment can be provided. Stable employment is critical to the success of these programs.
4. QRF businesses are self-supporting. Their prices for goods and services have to recover all the costs necessary to train, equip and supervise their workers. They are required by law to pay the prevailing wage in their area for the type and quality of work being done. Plus, the QRF pays for liability and workers' compensation insurance, and all the other overhead expenses any business has. The purpose of the state "Products of Disabled Individuals" law is to encourage and assist disabled people to work, and to achieve gainful employment. Employment enhances the ability to be as self-supporting as they can be. They will be less dependent on welfare and costly institutionalization.

Oregon's "Products of Disabled Individuals" law is modeled after federal legislation dating back to 1938. This legislation is now known as the Javits-Wagner-O'Day Act (JWOD). Over 20 other states have similar laws and more are being added each year due to increased acceptance and success of these programs.

### **How to get started?**

Once you have established the need to procure a product or service go to the [Procurement List](#), published on SPO's website, to see if the product or service is provided by a QRF. If there is a QRF on the Procurement List, contact the QRF to see if they can meet your specifications and delivery timelines. If they are able to meet your specifications and timelines you may begin negotiating a contract with them.

When looking to procure a product, ask the QRF representative to provide you with samples so you can make sure the products are right for you. Talk with the QRF representative if you need some minor adjustment or changes to suit your particular use of the product. You will find that QRFs have a can-do attitude and are eager to meet your needs.

When looking to procure a service you may find more than one QRF available. Contact as many of those QRFs as you wish. Inquire which QRF is interested in servicing your needs. Invite those interested QRFs to meet with you and tour your facility. Provide them with your specification draft. You may narrow down your candidates through references, training they provide their employees, and/or by an interview process with the QRF representatives. Price may be used to determine your choice but the final price is determined by DAS/SPO.

If no source is located on the Procurement List for your specific needs, you may move forward with your agency's procurement process.

### **How to negotiate the deal?**

If you are purchasing a product, such as plastic bags or blankets, and you are an ORCPP member you may simply make your purchase from the DAS Price Agreement. Nothing could be simpler. If you are purchasing a product or service from a QRF and DAS does not have an established contract for that product or service you may work directly with the QRF to negotiate your own contract. DAS must determine the price of that contract before the contract is initiated.

If you are a state agency under DAS authority, and the purchase is expected to be over \$150,000 in a one time buy or over \$150,000 over the life of the contract, you need to contact DAS for assistance.

If the initial price exceeds your budget estimate, let the QRF know and give them a chance to work through the numbers with you a second time. There could be a misunderstanding about your requirements or a mistake somewhere in the figures. It could be that your specifications exceed your budget. make the deal. When the price submitted by the QRF meets the agency's budget the QRF and the Agency may submit that price to DAS on an approved form for final determination.

Sometimes, after both sides have negotiated in good faith, the deal just won't work. Usually, it will be price or specification that will get in the way. As the public purchasing agent, you should know what the limits of the program budget or specification tolerance will be. The QRF can drop the project or perhaps try again later. There have been cases where the agency was able to split up the work into smaller pieces in order to have partial QRF participation.

The point here is to act in good faith towards the QRF. Be open and fair in your dealings with them. QRFs are looking for long-term business partnerships, not advantages.

#### **How to deal with quality assurance and performance problems?**

One of the biggest advantages of doing business with a QRF is that it is a relationship, not just a one-time competitive bidding arrangement. QRF businesses are there to provide permanent jobs for disabled Oregonians, not to make money by cutting corners. They have a different outlook on your business than the commercial sector. They are in for the long haul. You should expect quality services and products.

As a purchasing agent, you have the capability to make your agency's QRF contract successful. It just takes communication and cooperation. Talk to your QRF counterpart. Make sure your program people are introduced to the QRF representative and that everyone involved in the contract administration process knows what's expected of them. For example, if you have a QRF doing custodial services, plan a joint walk-through on a weekly basis from the beginning of the contract. Spend time talking about performance expectations at the beginning of your relationship and you will each get to know and understand the other.

As your contract relationship settles into a routine, you can cut down on the frequency with which you meet with the QRF contractor. But still plan on regular meetings with the QRF representative to talk about their performance and to make adjustments in the contract as needed. Together, write down any changes you and the QRF agree to make. Amend your contract to reflect the mutually agreed upon changes. This bit of routine "housekeeping" will keep your mutual understanding of what's to be done fresh and current.

If a problem does surface, however, you must tell the QRF management immediately. Don't wait, hoping things will get better. They can't fix the problem if they don't know about it. If you have taken the time to get to know each other at the start of the contract, any issue will be easier to solve.

Again, document any needed changes or complaints and share them with the QRF. Remember the old adage is true; take care of the little things before they get to be big things!

If, after making these efforts, you cannot resolve your problems, remember that you have authority to terminate the contract just as you would with any commercial business. If there seems to be no other way, talk candidly with the QRF about termination. It may be in the best interests of everyone involved.

#### **What is the process for contract renewal with a QRF?**

Here are a few points to consider when preparing for the renewal process:

A. Plan your annual renewal process well in advance of the ending date of the contract period. For a large custodial contract, for example, three or four months is not too early to start working with the QRF on the renewal process.

B. Revise and update your specifications to show any changes made during the contract period. At renewal, the QRF will review its pricing structure, which is to your advantage. Often, they are able to work with the agency to cut prices or costs as they gain experience with you and understand the fine points of the work to be performed.

C. A quality service or product can potentially be provided to your agency for many years to come, resulting in long-term benefits for disabled Oregonians and taxpayers alike.

D. Remember that DAS must approve any price changes in the renewal process.

#### **Who can you call for more information or help?**

Call DAS, State Procurement Office;

Patty Beans, (QRF Coordinator)

Tel: 503-373-0975

Fax: 503 373-1626

E-mail: [patty.beans@das.state.or.us](mailto:patty.beans@das.state.or.us)

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## Chapter 279 — Public Contracting - Miscellaneous Provisions

### 2005 EDITION

#### PUBLIC CONTRACTING - MISCELLANEOUS PROVISIONS

#### PUBLIC FACILITIES, CONTRACTING & INSURANCE

279.835 Definitions for ORS 279.835 to 279.855

279.840 Policy

279.845 Duties of Oregon Department of Administrative Services; prices for products and services of nonprofit agency for disabled individuals; sources of products and services; rules

279.850 Procurement of product or service; agreements for procurement

279.855 Entities that may obtain goods and services through Oregon Department of Administrative Services

**279.005** [1993 c.724 §19; repealed by 2003 c.794 §332]

**279.007** [1993 c.724 §20; repealed by 2003 c.794 §332]

**279.008** [Repealed by 1975 c.771 §33]

**279.009** [1993 c.724 §39; repealed by 2003 c.794 §332]

**279.010** [Repealed by 1975 c.771 §33]

**279.011** [1975 c.771 §1; 1979 c.196 §1; 1979 c.869 §1a; 1981 c.54 §1; 1983 c.690 §2; 1991 c.20 §1; 1993 c.500 §29; 1997 c.685 §1; 2003 c.562 §1; repealed by 2003 c.794 §332]

**279.012** [Repealed by 1975 c.771 §33]

**279.013** [1975 c.771 §2; 1977 c.456 §1; 1979 c.195 §1; 1981 c.466 §1; 1981 c.528 §5; 1981 c.712 §1; repealed by 1983 c.690 §28]

**279.014** [Amended by 1967 c.202 §1; 1973 c.42 §1; repealed by 1975 c.771 §33]

**279.015** [1975 c.771 §3; 1977 c.304 §6; 1983 c.244 §1; 1983 c.590 §10; 1983 c.690 §3a; 1987 c.538 §1; 1987 c.777 §1; 1989 c.224 §40; 1989 c.454 §1; 1993 c.724 §21; 1995 c.612 §17; 1997 c.685 §2; 1997 c.802 §8a; 1999 c.59 §72; 2001 c.113 §1; 2002 s.s.1 c.3 §5; 2003 c.562 §2; 2005 c.625 §57; repealed by 2003 c.794 §332]

**279.016** [Amended by 1971 c.481 §1; repealed by 1975 c.771 §33]

**279.017** [1975 c.771 §4; 1983 c.690 §4; 1997 c.802 §9; repealed by 2003 c.794 §332]

**279.018** [Repealed by 1975 c.771 §33]

**279.019** [1975 c.771 §6; 1983 c.690 §5; 2002 s.s.1 c.3 §6; repealed by 2003 c.794 §332]

**279.020** [Repealed by 1975 c.771 §33]

**279.021** [1975 c.771 §5; repealed by 2003 c.794 §332]

**279.022** [Repealed by 1975 c.771 §33]

**279.023** [1975 c.771 §7; 1979 c.869 §2; 1981 c.281 §1; 1987 c.776 §2; 1997 c.239 §1; repealed by 2003 c.794 §332]

**279.024** [Repealed by 1975 c.771 §33]

**279.025** [Formerly 279.065; 1977 c.289 §1; 1979 c.282 §1; 1983 c.690 §6; 1985 c.724 §1; 1987 c.741 §18; 1987 c.776 §1; 1987 c.865 §2; 1991 c.197 §1; 1997 c.239 §2; 1997 c.802 §11; 1999 c.88 §1; repealed by 2003 c.794 §332]

**279.026** [Repealed by 1975 c.771 §33]

**279.027** [Formerly 279.070; 1997 c.351 §2; 1999 c.88 §2; 1999 c.689 §3; 2001 c.104 §86; 2001 c.507 §1; 2003 c.14 §139; 2003 c.535 §1; 2003 c.794 §229a; repealed by 2003 c.794 §332]

**279.028** [Repealed by 1975 c.771 §33]

**279.029** [Formerly 279.075; 1981 c.466 §2; 1987 c.865 §1; 1999 c.462 §1; 1999 c.647 §§1,1a; repealed by 2003 c.794 §332]

**279.030** [Amended by 1971 c.659 §1; repealed by 1975 c.771 §33]

**279.031** [Formerly 279.080; 1981 c.712 §2; repealed by 2003 c.794 §332]

**279.032** [Repealed by 1975 c.771 §33]

**279.033** [1975 c.771 §11; 1983 c.690 §7; 2003 c.618 §33; repealed by 2003 c.794 §332]

**279.034** [Repealed by 1975 c.771 §33]

**279.035** [1975 c.771 §12; 1985 c.724 §2; repealed by 2003 c.794 §332]

**279.036** [Amended by 1969 c.607 §1; repealed by 1975 c.771 §33]

**279.037** [1975 c.771 §13; 1977 c.289 §7; 1999 c.647 §2; 2001 c.546 §1; repealed by 2003 c.794 §332]

**279.038** [Repealed by 1975 c.771 §33]

**279.039** [1975 c.771 §14; 1977 c.289 §2; 1981 c.712 §3; 1983 c.690 §8; 1999 c.647 §3; repealed by 2003 c.794 §332]

**279.040** [Repealed by 1975 c.771 §33]

**279.041** [1975 c.771 §15; 1977 c.289 §3; 1981 c.712 §4; 1983 c.690 §9; 1999 c.647 §4; repealed by 2003 c.794 §332]

**279.042** [Repealed by 1975 c.771 §33]

**279.043** [1975 c.771 §17; 1977 c.289 §4; 1983 c.690 §10; repealed by 2003 c.794 §332]

**279.044** [Repealed by 1975 c.771 §33]

**279.045** [1975 c.771 §18; 1977 c.289 §5; 1983 c.690 §11; 1985 c.757 §6; 1997 c.802 §12; 1999 c.448 §8; 1999 c.647 §5; 1999 c.849 §§60,61; 2001 c.104 §§87,88; 2003 c.75 §32; repealed by 2003 c.794 §332]

**279.046** [Repealed by 1975 c.771 §33]

**279.047** [1975 c.771 §16; 1977 c.289 §6; 2001 c.712 §1; repealed by 2003 c.794 §332]

**279.048** [Repealed by 1975 c.771 §33]

**279.049** [1975 c.771 §26; 1983 c.690 §12; 1991 c.414 §1; 1999 c.29 §1; 2001 c.712 §2; repealed by 2003 c.794 §332]

**279.050** [Amended by 1969 c.349 §1; 1971 c.180 §1; repealed by 1975 c.771 §33]

**279.051** [1975 c.771 §27; 1979 c.196 §2; 1981 c.766 §1; 1983 c.690 §13; 1997 c.802 §1; repealed by 2003 c.794 §332]

**279.052** [Repealed by 1975 c.771 §33]

**279.053** [1975 c.771 §32; 1981 c.325 §4; 1985 c.724 §3; 1989 c.224 §41; repealed by 2003 c.794 §332]

**279.054** [Repealed by 1975 c.771 §33]

**279.055** [1975 c.771 §34(2); 1979 c.647 §1; 1979 c.804 §6; 1983 c.690 §14; repealed by 2003 c.794 §332]

**279.056** [1979 c.504 §2; repealed by 2003 c.794 §332]

**279.057** [1997 c.861 §2; 1999 c.59 §73; 2001 c.712 §3; 2001 c.948 §§1,3; repealed by 2003 c.794 §332]

**279.058** [2001 c.712 §5; repealed by 2003 c.794 §332]

**279.059** [1985 c.769 §§2,3; 1987 c.893 §6; 1989 c.1043 §7; repealed by 2003 c.794 §332]

**279.060** [1969 c.522 §2; repealed by 1975 c.771 §33]

**279.061** [1981 c.281 §2; repealed by 2003 c.794 §332]

**279.063** [1985 c.285 §2; repealed by 2003 c.794 §332]

**279.065** [1969 c.522 §3; 1975 c.771 §8; renumbered 279.025]

**279.067** [1983 c.690 §27; 1990 c.6 §1; 1997 c.685 §6; 1997 c.861 §3; 2001 c.104 §89; repealed by 2003 c.794 §332]

**279.070** [1969 c.522 §4; 1971 c.659 §2; 1975 c.771 §9; renumbered 279.027]

**279.073** [1991 c.323 §1; repealed by 2003 c.794 §332]

**279.075** [1969 c.522 §5; 1975 c.771 §10; renumbered 279.029]

**279.080** [1969 c.522 §6; renumbered 279.031]

**279.085** [1969 c.522 §7; repealed by 1975 c.771 §33]

**279.090** [1969 c.522 §8; repealed by 1975 c.771 §33]

**279.095** [1987 c.777 §2; repealed by 2003 c.794 §332]

**279.101** [1989 c.407 §§1,2; 1995 c.333 §26; repealed by 2003 c.794 §332]

**279.103** [1997 c.685 §4; 2002 s.s.1 c.3 §7; repealed by 2003 c.794 §332]

**279.106** [1989 c.1043 §9; repealed by 2003 c.794 §332]

**279.111** [1989 c.1043 §11; repealed by 2003 c.794 §332]

**279.116** [1995 c.375 §2; repealed by 2003 c.794 §332]

**279.310** [Amended by 1953 c.131 §3; 1973 c.523 §1; 1983 c.740 §76; 2001 c.104 §90; repealed by 2003 c.794 §332]

**279.312** [Amended by 1953 c.131 §3; 1957 c.586 §14; 1965 c.26 §1; 1969 c.493 §76; 1999 c.588 §1; repealed by 2003 c.794 §332]

**279.313** [1997 c.552 §20; repealed by 2003 c.794 §332]

**279.314** [Amended by 1981 c.712 §5; 1999 c.689 §1; repealed by 2003 c.794 §332]

**279.315** [Formerly 653.767; repealed by 1995 c.286 §34]

**279.316** [Amended by 1967 c.167 §1; 1979 c.5 §1; 1989 c.572 §1; 1993 c.279 §1; 1995 c.739 §2; 1997 c.265 §1; 1997 c.793 §1; 2001 c.104 §91; 2003 c.14 §140; repealed by 2003 c.794 §332]

**279.318** [Amended by 1973 c.523 §2; 1975 c.771 §19; 1991 c.638 §1; repealed by 2003 c.794 §332]

**279.319** [1989 c.1092 §5; repealed by 2003 c.794 §332]

**279.320** [Amended by 1967 c.359 §687; 1981 c.712 §6; subsection (2) enacted as 1989 c.684 §3; 2001 c.104 §92; 2001 c.190 §1; repealed by 2003 c.794 §332]

**279.321** [1997 c.828 §2; repealed by 2003 c.794 §332]

**279.322** [1999 c.689 §6; 2001 c.104 §93; 2001 c.507 §2; repealed by 2003 c.794 §332]

**279.323** [2001 c.507 §4; repealed by 2003 c.794 §332]

**279.324** [Amended by 1973 c.738 §1; 1975 c.771 §20; repealed by 2003 c.794 §332]

**279.326** [Amended by 1973 c.738 §2; repealed by 2003 c.794 §332]

**279.328** [Amended by 1973 c.738 §3; repealed by 2003 c.794 §332]

**279.330** [Amended by 1973 c.738 §4; repealed by 2003 c.794 §332]

**279.332** [Amended by 1973 c.738 §5; repealed by 2003 c.794 §332]

**279.333** [1973 c.738 §6; repealed by 2003 c.794 §332]

**279.334** [Amended by 1963 c.241 §1; 1967 c.167 §2; 1979 c.5 §2; 1981 c.281 §4; 1983 c.264 §1; 1989 c.572 §2; 1993 c.279 §2; 1995 c.739 §1; 1997 c.265 §2; 1997 c.793 §2; 2003 c.14 §141; repealed by 2003 c.794 §332]

**279.335** [1993 c.394 §2; 1997 c.631 §432; repealed by 2003 c.794 §332]

**279.336** [Amended by 1981 c.712 §7; repealed by 2003 c.794 §332]

**279.338** [Amended by 1981 c.712 §8; repealed by 2003 c.794 §332]

**279.340** [Amended by 1973 c.418 §1; 1995 c.286 §26; renumbered 653.268 in 2003]

**279.342** [Amended by 1953 c.579 §3; 1955 c.510 §1; 1967 c.67 §1; 1973 c.460 §1; 1975 c.770 §1; 1977 c.388 §1; 1981 c.361 §3; 1983 c.699 §4; 1995 c.286 §27; 1995 c.635 §2; 1997 c.793 §3; renumbered 653.269 in 2003]

**279.344** [Repealed by 1953 c.577 §2]

**279.346** [Repealed by 1953 c.577 §2]

**279.348** [1959 c.627 §1; 1969 c.369 §1; subsection (4) enacted as 1969 c.369 §3; subsection (5) enacted as 1969 c.369 §4; 1977 c.797 §1; 1979 c.282 §2; 1981 c.712 §9; 1983 c.710 §1; 1989 c.752 §1; 1997 c.810 §1; repealed by 2003 c.794 §332]

**279.349** [1995 c.594 §2; repealed by 2003 c.794 §332]

**279.350** [1959 c.627 §2; 1977 c.797 §2; 1981 c.712 §19; 1983 c.264 §2; 1983 c.710 §2; 1989 c.286 §1; 1995 c.594 §10; repealed by 2003 c.794 §332]

**279.352** [1959 c.627 §§3, 4; 1965 c.449 §1; 1977 c.797 §3; 1979 c.282 §3; 1983 c.710 §3; 1995 c.594 §15; repealed by 2003 c.794 §332]

**279.354** [1959 c.627 §5; 1967 c.207 §1; 1977 c.797 §4; 1981 c.712 §12; 1983 c.710 §4; 1995 c.594 §16; 2001 c.337 §1; repealed by 2003 c.794 §332]

**279.355** [1969 c.369 §5; 1981 c.712 §13; repealed by 2003 c.794 §332]

**279.356** [1959 c.627 §§6,7; 1969 c.369 §6; 1981 c.712 §14; 1983 c.264 §4; 1983 c.711 §3; 1997 c.255 §1; repealed by 2003 c.794 §332]

**279.357** [1977 c.797 §8; 1981 c.712 §15; 1983 c.710 §5; 1985 c.766 §1; 1995 c.594 §3; 2001 c.628 §1; repealed by 2003 c.794 §332]

**279.358** [1975 c.772 §5; renumbered 279.400]

**279.359** [1977 c.797 §7; 1983 c.710 §6; 1995 c.594 §8; 1997 c.810 §2; repealed by 2003 c.794 §332]

**279.360** [1955 c.563 §1; 1963 c.136 §2; 1963 c.482 §1; 1971 c.743 §349; repealed by 1975 c.771 §33]

**279.361** [1977 c.797 §6; 1983 c.710 §7; 1995 c.594 §9; repealed by 2003 c.794 §332]

**279.362** [1955 c.563 §2; 1959 c.414 §1; repealed by 1975 c.773 §1]

**279.363** [1981 c.712 §11; 2001 c.746 §1; repealed by 2003 c.794 §332]

**279.365** [1983 c.711 §2; repealed by 2003 c.794 §332]

**279.370** [1995 c.594 §14; repealed by 2003 c.794 §332]

**279.375** [1995 c.594 §5; 1999 c.152 §1; repealed by 2003 c.794 §332]

**279.380** [1995 c.594 §12; repealed by 2003 c.794 §332]

**279.400** [Formerly 279.358; 1979 c.196 §3; repealed by 2003 c.794 §332]

**279.410** [1977 c.727 §3; repealed by 2003 c.794 §332]

**279.420** [1977 c.727 §4; 1983 c.690 §15; 1989 c.106 §1; 1991 c.516 §3; 1999 c.689 §11; repealed by 2003 c.794 §332]

**279.430** [1977 c.727 §5; repealed by 2003 c.794 §332]

**279.435** [Formerly 279.575; 1991 c.516 §1; 1999 c.689 §2; repealed by 2003 c.794 §332]

**279.445** [1991 c.516 §2; 1999 c.689 §2a; repealed by 2003 c.794 §332]

**279.502** [1957 c.650 §1; 1969 c.607 §2; repealed by 1975 c.771 §33]

**279.510** [Amended by 1955 c.526 §1; 1957 c.650 §2; 1965 c.26 §2; 1969 c.493 §77; repealed by 1975 c.771 §33]

**279.512** [Amended by 1957 c.650 §3; repealed by 1975 c.771 §33]

**279.514** [Amended by 1957 c.650 §4; repealed by 1975 c.771 §33]

**279.515** [1957 c.650 §5; repealed by 1975 c.771 §33]

**279.516** [Repealed by 1957 c.650 §15]

**279.518** [Amended by 1957 c.650 §9; renumbered 279.538]

**279.520** [Amended by 1953 c.131 §3; 1955 c.526 §2; repealed by 1957 c.650 §15]

**279.522** [Repealed by 1957 c.650 §15]

**279.524** [Repealed by 1957 c.650 §15]

**279.526** [Amended by 1953 c.131 §3; 1957 c.650 §6; 1969 c.689 §1; 1975 c.771 §21; 1981 c.712 §16; 1983 c.264 §3; 1985 c.526 §1; 1993 c.98 §6; 1999 c.521 §1; repealed by 2003 c.794 §332]

**279.528** [Amended by 1957 c.650 §7; 1969 c.689 §2; 1975 c.771 §22; 1985 c.526 §2; 1993 c.98 §7; 1999 c.521 §2; repealed by 2003 c.794 §332]

**279.530** [Amended by 1957 c.650 §10; renumbered 279.540]

**279.532** [Amended by 1953 c.131 §3; 1955 c.526 §3; 1957 c.650 §11; renumbered 279.542]

**279.534** [Amended by 1953 c.131 §3; 1957 c.650 §12; renumbered 279.544]

**279.536** [1957 c.650 §8; 1969 c.689 §3; 1975 c.771 §23; 1981 c.712 §17; 1985 c.526 §3; 1999 c.521 §3; repealed by 2003 c.794 §332]

**279.538** [Formerly 279.518; repealed by 2003 c.794 §332]

**279.540** [Formerly 279.530; repealed by 2003 c.794 §332]

**279.542** [Formerly 279.532; 1975 c.771 §23a; 2001 c.104 §94; repealed by 2003 c.794 §332]

**279.544** [Formerly 279.534; repealed by 1975 c.771 §33]

**279.545** [Formerly 279.731; 1997 c.552 §24; 2003 c.449 §34; repealed by 2003 c.794 §332]

**279.550** [1991 c.385 §63; repealed by 2003 c.794 §332]

**279.555** [Formerly 279.733; 1997 c.552 §25; repealed by 2003 c.794 §332]

**279.560** [Formerly 279.735; repealed by 2003 c.794 §332]

**279.562** [1997 c.552 §23; repealed by 2003 c.794 §332]

**279.565** [Formerly 279.737; repealed by 2003 c.794 §332]

**279.567** [1997 c.552 §22; repealed by 2003 c.794 §332]

**279.570** [Formerly 279.739; repealed by 2003 c.794 §332]

**279.573** [1991 c.385 §81; 1995 c.612 §18; 1997 c.552 §26; 2001 c.104 §95; 2003 c.55 §4; repealed by 2003 c.794 §332]

**279.575** [1969 c.423 §1; 1971 c.746 §1; 1973 c.384 §1; 1975 c.771 §28; 1975 c.772 §8; 1977 c.727 §1; 1979 c.406 §3; 1981 c.712 §18; 1985 c.435 §1; renumbered 279.435 in 1989]

**279.580** [1991 c.385 §64; repealed by 2003 c.794 §332]

**279.585** [1991 c.385 §65; repealed by 2003 c.794 §332]

**279.590** [1991 c.385 §66; repealed by 2003 c.794 §332]

**279.595** [1991 c.385 §67; repealed by 2003 c.794 §332]

**279.605** [1991 c.385 §68; repealed by 2003 c.794 §332]

**279.610** [Amended by 1957 c.418 §1; repealed by 1975 c.771 §33]

**279.612** [Amended by 1957 c.418 §2; 1969 c.415 §1; repealed by 1975 c.771 §33]

**279.614** [Repealed by 1975 c.771 §33]

**279.615** [1991 c.385 §71; repealed by 2003 c.794 §332]

**279.616** [Repealed by 1975 c.771 §33]

**279.617** [1991 c.385 §70; repealed by 2003 c.794 §332]

**279.618** [Amended by 1971 c.659 §3; repealed by 1975 c.771 §33]

**279.620** [Amended by 1955 c.693 §1; repealed by 1975 c.771 §33]

**279.621** [1991 c.385 §72; 2003 c.55 §5; repealed by 2003 c.794 §332]

**279.622** [Amended by 1963 c.28 §1; repealed by 1975 c.771 §33]

**279.624** [Repealed by 1975 c.771 §33]

**279.625** [1991 c.385 §73; renumbered 282.045 in 2003]

**279.626** [Repealed by 1975 c.771 §33]

**279.628** [Repealed by 1975 c.771 §33]

**279.630** [1991 c.385 §74; 2003 c.55 §6; repealed by 2003 c.794 §332]

**279.635** [1991 c.385 §75; 2003 c.55 §1; repealed by 2003 c.794 §332]

**279.640** [1991 c.385 §§76,77; 1997 c.552 §27; repealed by 2003 c.55 §2 and 2003 c.794 §332]

**279.645** [1991 c.385 §78; repealed by 2003 c.55 §2 and 2003 c.794 §332]

**279.650** [1991 c.385 §79; repealed by 2003 c.794 §332]

**279.710** [Amended by 1957 c.660 §1; 1977 c.598 §30; 1993 c.500 §30; 1997 c.802 §2; 2003 c.449 §20; repealed by 2003 c.794 §332]

**279.711** [Formerly 273.005; repealed by 2003 c.794 §332]

**279.712** [Amended by 1957 c.660 §2; 1973 c.84 §3; 1977 c.598 §31; 1983 c.590 §11; 1991 c.95 §2; 1993 c.500 §31; 1995 c.776 §1; 1997 c.802 §3; 1999 c.264 §3; 2001 c.300 §75; repealed by 2003 c.794 §332]

**279.714** [Amended by 1969 c.349 §2; 1969 c.607 §3; 1971 c.180 §2; repealed by 1975 c.771 §33]

**279.716** [Amended by 1969 c.607 §4; repealed by 1975 c.771 §33]

**279.717** [1977 c.314 §2; repealed by 2003 c.794 §332]

**279.718** [Repealed by 1975 c.771 §33]

**279.720** [Amended by 1969 c.607 §5; repealed by 1975 c.771 §33]

**279.722** [Amended by 1955 c.57 §1; 1971 c.743 §350; 1981 c.106 §3; 1997 c.802 §13; 2001 c.507 §5; repealed by 2003 c.794 §332]

**279.723** [Formerly 279.732; 1997 c.802 §4; repealed by 2003 c.794 §332]

**279.724** [Amended by 1953 c.11 §3; 1955 c.194 §1; repealed by 1975 c.771 §33]

**279.725** [Formerly 279.734; 1997 c.802 §5; repealed by 2003 c.794 §332]

**279.726** [Repealed by 1975 c.771 §33]

- 279.727 [Formerly 279.738; 1995 c.776 §2; 1997 c.802 §6; repealed by 2003 c.794 §332]
- 279.728 [Amended by 1955 c.45 §1; repealed by 1975 c.771 §33]
- 279.729 [Formerly 279.740; 2001 c.683 §4; 2003 c.186 §14; repealed by 2003 c.794 §332]
- 279.730 [Amended by 1969 c.597 §56; repealed by 1975 c.771 §33]
- 279.731 [1975 c.240 §2; 1991 c.385 §59; renumbered 279.545 in 1991]
- 279.732 [Renumbered 279.723]
- 279.733 [1975 c.240 §3; 1991 c.385 §60; renumbered 279.555 in 1991]
- 279.734 [Amended by 1953 c.11 §3; renumbered 279.725]
- 279.735 [1975 c.240 §4; renumbered 279.560 in 1991]
- 279.736 [Repealed by 1975 c.771 §33]
- 279.737 [1975 c.240 §5; renumbered 279.565 in 1991]
- 279.738 [Renumbered 279.727]
- 279.739 [1975 c.240 §6; 1991 c.385 §61; renumbered 279.570 in 1991]
- 279.740 [Amended by 1975 c.240 §7; renumbered 279.729]
- 279.742 [Amended by 1959 c.662 §1; 1965 c.365 §6; 1967 c.419 §41; 1977 c.91 §1; 1981 c.106 §1; repealed by 2003 c.794 §332]
- 279.744 [Repealed by 2003 c.794 §332]
- 279.746 [Amended by 1997 c.802 §14; repealed by 2003 c.794 §332]
- 279.748 [Repealed by 2003 c.794 §332]
- 279.791 [1953 c.474 §5; 1981 c.106 §14; repealed by 1997 c.802 §22]
- 279.795 [1969 c.263 §1; renumbered 177.190 in 2003]
- 279.800 [1991 c.176 §2; 1993 c.500 §32; 1999 c.316 §10; repealed by 2003 c.794 §332]
- 279.805 [Formerly 291.652 and then 283.210; repealed by 2003 c.794 §332]
- 279.810 [Amended by 1955 c.47 §1; repealed by 1975 c.771 §33]
- 279.812 [Repealed by 1975 c.771 §33]
- 279.814 [Amended by 1955 c.47 §2; repealed by 1975 c.771 §33]

**279.816** [Amended by 1967 c.419 §28; repealed by 1975 c.771 §33]

**279.818** [Repealed by 1975 c.771 §33]

**279.820** [Amended by 1957 c.42 §1; 1959 c.662 §15; 1961 c.128 §1; 1975 c.771 §29; 1991 c.176 §3; repealed by 2003 c.794 §332]

**279.822** [Amended by 1957 c.42 §2; 1959 c.662 §14; 1975 c.771 §30; 1981 c.106 §15; 1983 c.740 §77; 1993 c.500 §33; repealed by 2003 c.794 §332]

**279.824** [Amended by 1975 c.771 §31; repealed by 2003 c.794 §332]

**279.826** [Formerly 291.654 and then 283.220; repealed by 2003 c.794 §332]

**279.828** [Formerly 283.230; 1997 c.379 §1; 2003 c.449 §35; repealed by 2003 c.794 §332]

**279.830** [Formerly 283.235; repealed by 2003 c.794 §332]

**279.831** [Formerly 291.666 and then 283.240; repealed by 2003 c.794 §332]

**279.833** [Formerly 291.678 and then 283.250; 2003 c.18 §5; repealed by 2003 c.794 §332]

**279.835 Definitions for ORS 279.835 to 279.855.** As used in ORS 279.835 to 279.855:

(1) “Department” means the Oregon Department of Administrative Services.

(2) “Direct labor” includes all work required for preparation, processing and packing, but not supervision, administration, inspection and shipping.

(3) “Disabled individual” means an individual who, because of the nature of disabilities, is not able to participate fully in competitive employment, and for whom specialized employment opportunities must be provided.

(4) “Public agency” or “public contracting agency” means any agency of the State of Oregon or any political subdivision thereof authorized by law to enter into public contracts and any public body created by intergovernmental agreement.

(5) “Qualified nonprofit agency for disabled individual” means a nonprofit activity center or rehabilitation facility:

(a) Organized under the laws of the United States or of this state and operated in the interest of disabled individuals, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

(b) That complies with any applicable occupational health and safety standard required by the laws of the United States or of this state; and

(c) That in the manufacture of products and in the provision of services, whether or not the products or services are procured under ORS 279.835 to 279.855, during the fiscal year employs disabled individuals for not less than 75 percent of the work hours of direct labor required for the manufacture or provision of the products or services. [1977 c.304 §3; 1983 c.690 §17; 1989 c.224 §42; 1991 c.93 §1; 1993 c.500 §34; 2001 c.104 §96; 2003 c.794 §229b]

**279.840 Policy.** The purpose of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335 is to further the policy of this state to encourage and assist disabled individuals to achieve maximum personal independence through useful and productive gainful employment by assuring an expanded and constant market for sheltered workshop and activity center products and services, thereby enhancing their dignity and capacity for self-support and minimizing their dependence on welfare and need for costly institutionalization. [1977 c.304 §2; 1989 c.224 §43; 2003 c.794 §229c]

**279.845 Duties of Oregon Department of Administrative Services; prices for products and services of nonprofit agency for disabled individuals; sources of products and services; rules.** (1) It shall be the duty of the Oregon Department of Administrative Services to:

(a) Determine the price of all products manufactured and services offered for sale to the various public agencies by any qualified nonprofit agency for disabled individuals. The price shall recover for the workshops the cost of raw materials, labor, overhead, delivery costs and a margin held in reserve for inventory and equipment replacement;

(b) To revise such prices from time to time in accordance with changing cost factors; and

(c) To make such rules regarding specifications, time of delivery and other relevant matters of procedure as shall be necessary to carry out the purposes of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335.

(2) The department shall establish and publish a list of sources or potential sources of products produced by any qualified nonprofit agency for disabled individuals and the services provided by any such agency, which the department determines are suitable for procurement by public agencies pursuant to ORS 279.835 to 279.855, 279A.025 (4) and 279C.335. This procurement list and revisions thereof shall be distributed to all public purchasing officers.

(3) The department may not delegate any duty imposed under this section to any person or public agency outside of the department. [1977 c.304 §4; 1989 c.224 §44; 2003 c.794 §229d]

**279.850 Procurement of product or service; agreements for procurement.** (1) If any public agency intends to procure any product or service on the procurement list, that public agency shall, in accordance with rules of the Oregon Department of Administrative Services, procure such product or service, at the price established by the department, from a qualified nonprofit agency for disabled individuals provided the product or service is of the appropriate specifications and is available within the period required by that public agency.

(2) In furthering the purposes of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335, it is the intent of the Legislative Assembly that there be close cooperation between the department, public contracting agencies and qualified nonprofit agencies for disabled individuals. The department on behalf of public contracting agencies and qualified nonprofit agencies for disabled individuals is authorized to enter into such contractual agreements, cooperative working relationships or other arrangements as may be determined to be necessary for effective coordination and efficient realization of the objectives of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335 and any other law requiring procurement of products or services. [1977 c.304 §5; 1989 c.224 §45; 2003 c.794 §229e]

**279.855 Entities that may obtain goods and services through Oregon Department of Administrative Services.** The following may purchase equipment, materials, supplies and services through the Oregon Department of Administrative Services in the same manner as state agencies as provided in ORS 279A.140 to 279A.155 and 279A.250 to 279A.290:

(1) Qualified nonprofit agencies for disabled individuals participating in the program set forth in ORS 279.835 to 279.855, 279A.025 (4) and 279C.335.

(2) Residential programs when under contract with the Department of Human Services to provide services to youth in the custody of the state.

(3) Public benefit corporations, as defined in ORS 65.001, that provide public services either under contract with a state agency, as defined in ORS 171.133, or under contract with a unit of local government, as defined in ORS 190.003, that funds the contract, in whole or in part, with state funds. [1977 c.304 §7; 1989 c.224 §46; 1991 c.419 §1; 2001 c.900 §51; 2003 c.794 §229f]

**279.990** [Amended by 1953 c.577 §2; subsection (4) (1979 Replacement Part) enacted as 1955 c.563 §3; 1969 c.369 §7; 1971 c.743 §351; repealed by 2003 c.794 §332]



## ATTACHMENT 2

Contract # \_\_\_\_\_

**CITY OF MILWAUKIE, OREGON  
AGREEMENT FOR SERVICES RELATED TO  
Janitorial Services Performed by:  
DIVERSIFIED ABILITIES**

THIS AGREEMENT made and entered into this 1ST of JULY, 2006 by and between the City of Milwaukie, a municipal corporation of the State of Oregon, hereinafter called City, and DIVERSIFIED ABILITIES, hereinafter called Contractor.

### RECITALS

WHEREAS, Contractor has submitted a bid or proposal to City to provide specific services; and

WHEREAS, Contractor is in the business of providing specific services and is aware of the purposes for which City requires the services; and

WHEREAS, City and Contractor wish to enter into a contract under which City shall purchase the services described in Contractor's bid or proposal;

THEREFORE, The parties agree as follows:

1. **SERVICES TO BE PROVIDED**

Contractor agrees to provide services related to JANITORIAL SERVICES as detailed in Exhibit A – Scope of Services and by this reference made a part hereof.

2. **EFFECTIVE DATE AND DURATION**

Contractor shall initiate services upon receipt of City's notice to proceed, together with an executed copy of this Agreement. This Agreement shall become effective upon the date of execution and shall expire, unless otherwise terminated or extended, on JUNE 30, 2011. All services shall be completed prior to the expiration of this Agreement.

3. **COMPENSATION**

City agrees to pay Contractor an amount not exceeding One Hundred Ten Thousand Dollars and 00/100 cents (\$110,000) for performance of those services described herein, which payment shall be based upon the following applicable terms:

- a. Payment will be made in installments based on Contractor's invoice, subject to the approval by the City, and not more frequently than monthly. Payment shall be made only for work actually completed as of the date of invoice.
- b. Payment by City shall release City from any further obligation for payment to Contractor, for services performed or expenses incurred as of the date of the invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.
- c. Contractor shall make payments promptly, as due, to all persons supplying labor or materials for the prosecution of this work.
- d. Where applicable, Contractor must make payment promptly as due to persons supplying Contractor labor or materials for the execution of the work provided by this order. Contractor must pay all contributions or amounts due from Contractor to the Industrial Accident Fund incurred in the performance of this order. Contractor shall not permit any lien or claim to be filed or prosecuted against City or any subdivision of City on account of any labor or material to be furnished. Contractor further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

- e. If Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person as such claim becomes due, City may pay such claim and charge the amount of the payment against funds due or to become due the Contractor. The payment of the claim in this manner shall not relieve Contractor or their surety from obligation with respect to any unpaid claims.
- f. If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279C.540. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.
- g. Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Contractor or all sums which Contractor agrees to pay for such services and all moneys and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- h. The City certifies that sufficient funds are available and authorized for expenditure to finance costs of this contract.

**5. ASSIGNMENT/DELEGATION**

Neither party shall assign or transfer any interest in or duty under this Agreement without the written consent of the other and any attempted assignment or transfer without the written consent of the other party shall be invalid.

**6. SUBMITTING BILLS AND MAKING PAYMENTS**

All notices and bills shall be made in writing and may be given by personal delivery, mail or fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

<b>Contact Manager for City:</b>	<b>Contact Manager for Contractor:</b>
City of Milwaukie	Company: Diversified Abilities
Attn: F. Kelly Somers	Attn: Ann Toth
6101 SE Johnson Crk Blvd., Milwaukie, Oregon 97206	Address: PO Box 966, Clackamas, Or 97015
Phone: 503-786-7614	Phone: 503-760-7500
Fax: 503-786-7634	Fax: 503-760-6643
Email Address: somersk@ci.milwaukie.or.us	Email Address: (insert address)

**7. TERMINATION**

The parties agree that any decision by either party to terminate this Agreement before 30<sup>th</sup> of June, 2011 shall be accompanied by thirty (30) days written notice to the other party prior to the date termination would take effect. There shall be no penalty for early termination. If City terminates the contract pursuant to this paragraph, it shall pay Contractor for services rendered prorated to the date of termination.

**8. ACCESS TO RECORDS**

City shall have access to such books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

**9. FORCE MAJEURE**

Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, natural disaster, war, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within ten (10) days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

**10. NON-DISCRIMINATION**

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

**11. CONTRACTOR AS INDEPENDENT CONTRACTOR**

Contractor acknowledges that for all purposes related to this Agreement, Contractor is and shall be deemed to be an independent contractor as defined by ORS 670.600 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of said finding and to the full extent of any payments that City is required to make (to Contractor or to a third party) as a result of said finding. Contractor acknowledges that for all purposes related to this Agreement, Contractor is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

**12. INDEMNITY/HOLD HARMLESS**

Contractor shall defend, indemnify and hold harmless City, City's officers, employees, agents and representatives from and against all liability, claims, demands, judgments, penalties, and causes of action of any kind or character, or other costs or expenses incidental to the investigation and defense thereof, of whatever nature, resulting from or arising out of the activities of the Contractor or its subcontractors, agents, or employees under this contract, except, however, that the foregoing shall not apply to liability that arises out of City's negligence.

**13. INSURANCE**

Contractor shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. Such insurance shall cover all risks arising directly or indirectly out of Contractor's activities or work hereunder.

The policy or policies of insurance maintained by the Contractor shall provide at least the following limits and coverages:

a. Commercial General Liability Insurance

Contractor shall obtain, at contractor's expense, and keep in effect during the term of this contract, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	1,000,000
Products-Completed Operations Aggregate	1,000,000
Personal & Advertising Injury	1,000,000
Each Occurrence	1,000,000
Fire Damage (any one fire)	50,000
Medical Expense (any one person)	5,000

b. Business Automobile Liability Insurance

If Contractor will be delivering any goods, Contractor shall provide City a certificate indicating that Contractor has business automobile liability coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,000,000. Said insurance shall name City as an additional insured and shall require written notice to City thirty (30) days in advance of cancellation. If Contractor hires a carrier to make delivery, Contractor shall ensure that said carrier complies with this paragraph.

c. Workers' Compensation Insurance

The Contractor and all employers providing work, labor or materials under this Contract that are either subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers or employers that are exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

d. Insurance Carrier Rating

All coverage provided by the Contractor must be underwritten by an insurance company deemed acceptable by the City. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

e. Certificates of Insurance

As evidence of the insurance coverage required by the contract, the Contractor shall furnish a Certificate of Insurance to the City. No contract shall be effected until the required certificates have been received and approved by the City.

The procuring of such required insurance shall not be construed to limit contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

14. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including witness fees (expert and non-expert), attorney's fees and court costs on appeal.

15. **COMPLIANCE WITH STATE AND FEDERAL LAWS/RULES**

Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding contained in ORS Chapter 279B, the provisions of which are hereby made a part of this agreement

16. **CONFLICT BETWEEN TERMS**

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument in the proposal of the contract, this instrument shall control and nothing herein shall be considered as an acceptance of the terms of proposal conflicting herewith.

17. **SEVERABILITY**

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

18. **COMPLETE AGREEMENT**

This Agreement, including the exhibits, is intended both as a final expression of the Agreement between the parties and as a complete and exclusive statement of the terms. In the event of an inconsistency between a provision in the main body of the Agreement and a provision in the Exhibit, the provision in the main body of the Agreement shall control. In the event of an inconsistency between Exhibit A and any other exhibit, Exhibit A shall control. In the event of an inconsistency between Exhibit C and Exhibit B, Exhibit B shall control. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Contractor, by the signature of its authorized representative, hereby acknowledges that Contractor has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized undersigned officer and Contractor has executed this Agreement on the date hereinabove first written.

**CITY OF MILWAUKIE**

\_\_\_\_\_  
Print Name & Title of Authorized City Staff

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**CONTRACTOR**

\_\_\_\_\_  
Print Name & Title of Authorized Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**EXHIBIT 'A'**  
**SCOPE OF SERVICES**

# EXHIBIT "A"

## CITY OF MILWAUKIE JANITORIAL SERVICES

June 12, 2006

STANDARD SPECIFICATIONS  
AND  
CONDITIONS

**Area 1**

**Facility**

**City Hall**

10722 SE Main St  
Milwaukie, OR 97222  
**7,000 Square Feet**

**Ledding Library**

10660 SE 21<sup>st</sup> Ave  
Milwaukie, OR 97222  
**12,400 Square Feet**

**Area 1 = 19,400 Square Feet**

**Area 2**

**Public Safety Building**

3200 SE Harrison St  
Milwaukie, OR 97222  
**22,000 Square Feet**

**Area 2 = 22,000 Square Feet**

**Area 3**

**Public Service Bldg. (JCB)**

6101 SE Johnson Creek Blvd  
Milwaukie, OR 97206  
**5,200 Square Feet Office Space**  
**8,000 Square Feet Shop Space**

**PW Operations Bldg.**

**2,800 Square Feet Office Space**

**Area 3 = 16,000 Square Feet**

## STANDARD SPECIFICATIONS AND CONDITIONS

### 1.1 GENERAL

City of Milwaukie Facilities Management is seeking a Contractor to provide custodial services for the City of Milwaukie facilities. Contractor shall have custodial experience related to office facilities.

The Contractor shall furnish all equipment, materials and services necessary to perform the janitorial duties specified in a satisfactory manner and at not less than the frequencies set forth in the following specifications. The premises shall be maintained in a neat, clean, orderly and first-class condition according to Cleaning Performance Standards (Section 1.35) contained in this package.

### 1.2 SCOPE OF WORK

There are five (5) City of Milwaukie facilities included in this specification, which are located at various locations throughout the City. City spaces in this specification total approximately 57,400 square feet of offices, and libraries, as listed under "Facility Descriptions". These facilities are divided into three (3) areas. City of Milwaukie Facilities Management shall administer the Contract for all areas. These facilities operate four (4) to seven (7) days a week, eight (8) to twenty-four (24) hours a day. Custodial service for all facilities shall be scheduled as called for in this specification.

These facilities will receive cleaning five (5) to seven (7) days a week. These facilities shall be cleaned according to the Cleaning Performance Standards (Section 1.35). The service for these facilities is monitored on a daily basis by building staff and routinely inspected by Facilities Management for adherence to specifications. Custodial staff working in these facilities shall have office related experience, as well as specialized training in the handling of infectious waste, contaminated sharps, communicable diseases and TB training and testing.

### 1.3 QUESTIONS ON TECHNICAL INFORMATION

Questions relating to materials in these Standard Specifications and Conditions shall be addressed to:

F. Kelly Somers  
Public Works Operations Director  
Ph: 503-786-7614  
6101 SE Johnson Creek Blvd.,  
Milwaukie, OR 97206

### 1.4 QUESTIONS ON LEGAL INFORMATION

Legal questions relating to these Standard Specifications and Conditions shall be addressed to:

Stewart Taylor  
Finance Director  
Ph: 503-786-7521  
10722 SE Main St.  
Milwaukie, OR 97222

## 1.5 NATURE AND EXTENT OF SERVICES

The City of Milwaukie facilities serve the public in varying degrees depending on the function of each facility. Custodial services in these facilities are required on a regularly scheduled basis coinciding with the days of operation and shall be completed during the times specified by the Contract Administrator. Days of operation shall be noted by each facility while hours of operation can be gathered during the pre-bid tour. All cleaning is to be accomplished during closed hours at each location, with the exception of facilities that operate 24-hours per day. Specific schedules shall be approved by Facilities Management prior to starting Contract.

The highest standards of cleanliness shall be maintained. It is the intent of these specifications that all facilities present a consistently clean condition. The services outlined in these specifications are to be considered as minimum requirements but in no instance are they to limit the level of cleanliness in buildings.

City of Milwaukie Cleaning Performance Standards are included in this specification in Section 1.35. Contractor shall include at a **minimum** the cleaning standards set forth in this specification and all additional requirements as detailed.

**Mandatory special qualifications and training required for Contractors working in these facilities include:**

1. **Blood borne Pathogens/HIV Training and Written Program.**
2. **Hazardous Communications Program.**
3. **Tuberculosis (TB) Training and Optional Testing.**

## 1.6 EMERGENCY RESPONSE

The Custodial Contractor shall provide seven-day a week emergency coverage to the City facilities included in this specification. Emergency corrections called in before or after the regularly scheduled custodial hours shall be considered emergency **after-hours calls**. After-hours calls shall be submitted on a separate invoice designating the number of hours and the facility requiring such service. **After-hours calls will be charged at \$15.00 per hour as noted on DAS Project Costing Workbook.** During normal custodial hours, emergency custodial corrections shall be taken care of at no additional charge. **NOTE: Exception cleaning** such as major floods or contamination by body fluids shall be billed separately. Justifiable emergency calls are defined as follows:

1. Floods related to plumbing, roof leaks or other sources, when flooded area cannot be isolated (closed) or continuing damage is occurring due to flood remaining overnight.
2. Blood spills, vomit, urine or other human body fluids that cannot be isolated or blocked off.

**Emergency after-hours calls** shall be made directly to the Contractor. Emergency requests shall require Contractor to call within thirty (30) minutes after placing the first call and work started within two (2) hours.

Emergency correction needed during normal custodial working hours shall be available by calling emergency numbers.

Non-emergency corrections shall be registered in the daily logbook for custodial complaints. Non-emergency corrections shall be completed within twenty-four (24) hours. Examples of non-emergency corrections include such items as:

1. Trash can full.
2. Liquid spill presenting no safety hazard.
3. Toilet paper or other dispensers empty (when other rest rooms are stocked and available).

#### **1.7 FACILITY DESCRIPTIONS**

**ALL SQUARE FOOTAGES ARE APPROXIMATE AND CONTRACTOR SHALL VERIFY DIMENSIONS TO THEIR SATISFACTION.**

##### **AREA 1**

1. City Hall – Contains approximately 7000 Sq. Ft. of carpeted and hard surface floors. Custodial services shall be performed 5 Days per week. Days of operation are Monday through Friday, 7:00 AM to 6:00 PM. Some evening meetings are scheduled during the week. This schedule will be available to the custodial service provider. No janitorial work will be performed during meeting hours.
2. Ledding Library – Contains approximately 12,400 Sq. Ft. of carpeted and hard surface floors. Custodial services shall be performed 7 Days per week. Days of operation are 7 days per week. Monday through Friday 12:00 PM through 9:00 PM, Friday and Saturday 12:00 PM through 5:30 PM, Sunday 1:00 PM through 5:00 PM. Staff arrives generally by 8:30 AM on all days except Sunday; on Sunday they arrive later in the morning. No janitorial work will be performed during hours opened to the public.

##### **AREA 2**

1. Public Safety Building – Contains approximately 22,000 Sq. Ft. of carpeted and hard surface floors. Custodial services shall be performed 6 Days per week. Days of operation are 7 days per week, 24 hours per day. The office and reception area is open from 8:00 AM to 5:00 PM, Monday through Friday. The community room is used during the day from 8:00 AM to as late as 10:00 PM. Cleaning of these areas will have to be done after hours.

##### **AREA 3**

1. Public Service Buildings – Contains approximately 8000 Sq. Ft. of office space consisting of carpeted and hard surface floors. The shop area contains 8000 Sq. Ft. of concrete floors. Custodial services shall be performed 5 days per week on the office space area. The shop floor shall be cleaned 2 times per month. The office is open from 8:00 AM to 5:00 PM, Monday through Friday. The shop and PW Operations Building are open from 7:00 AM to 3:30 PM, Monday through Friday. Cleaning of these areas shall be done after hours and on weekends.

## **1.8 DAILY/PERIODIC SERVICES SCHEDULE**

Contractor shall provide City of Milwaukie Facilities Management with specific dates and times for items designated in the Building Cleaning/Task Schedule, Section 1.36.

Such dates and times are subject to the approval of Facilities Management. The unique operations conducted in some City facilities require that all areas be serviced according to the needs of the facility.

**All services scheduled to be performed quarterly, semiannually and annually shall be performed and scheduled at appropriate intervals during the term of the Contract.**

## **1.9 SUPERVISION**

The Contractor shall be responsible for the direct on-site inspection of the custodians through its supervisor(s), and the supervisor(s) shall be available at reasonable times to report to and confer with the Facilities Management Contract Administrator with respect to services. The telephone number of the responsible supervisor shall be provided to the City for daily, emergency, and/or non-routine service.

The Contractor shall provide an on-site supervisor whose primary task is to see to it that all of the Contractor's employees, in all buildings, understand and carry out what is required to satisfy the specifications of the Contract.

The on-site supervisor shall also schedule and coordinate the maintaining/restoring of all resilient/hard surface floor finishes and carpet cleaning. All floor restoration projects shall be scheduled seven days in advance with the Contract Administrator.

## **1.10 QUALITY CONTROL INSPECTIONS**

The Contractor will regularly schedule a bi-monthly quality-control inspection with a City representative. The Contractor (or Contractor's representative) will accompany the City's representative on said inspection. The location of the inspection will be determined by the City on the day of the inspection. The time of the inspections will be 10:00 AM on designated dates. Other inspections will be scheduled as needed by the City or Contractor.

## **1.11 EXCEPTION CLEANING SERVICE**

The Contractor may occasionally be required to perform cleaning services on an exception basis for items or areas not covered by the Schedule Package. Such services shall be requested by the Contract Administrator on an individual basis and shall be billed separately on a monthly basis as applicable.

## **1.12 CONTRACTOR SUPPLIED ITEMS**

All labor, janitorial tools, equipment, machines and supplies necessary for the performance of daily janitorial services shall be furnished by the Contractor at no expense or further cost to the City.

City of Milwaukie requires current material safety data sheets (MSDS) for all chemicals being used on-site in all City facilities. The Contractor shall provide MSDS and product labels to the Contract Administrator prior to the use of any chemicals.

### **1.13 CITY SUPPLIED ITEMS**

The City will furnish soap, seat covers, toilet tissue, garbage bags/can liners, paper towels and sanitary napkin/tampons for use in restrooms and other areas within the City's facilities. City provided supplies will be available for pickup in each area.

### **1.14 JANITORIAL LOG**

The City shall furnish a janitorial log for each facility and/or work site as designated by the City Facilities Management Department to be reviewed by janitorial personnel and supervisor daily. Janitorial personnel shall acknowledge in writing any entry made by City personnel. This log shall remain in City designated areas of each facility.

### **1.15 GENERAL NOTATION**

Contractor shall not operate or adjust the setting of any of the heating, ventilating or air conditioning systems in facilities without written approval of Facilities Management.

Contractor shall leave only designated lights on and shall check windows and doors for security upon completion of custodial work.

Contractor shall learn and carefully operate building security systems according to instructions.

Contractor shall report any damaged or broken plumbing, glass, light fixtures, furniture, paint, floor, lavatory fixtures, etc., to Facilities Management.

Contractor shall order needed supplies through Facilities Management, allowing three (3) days lead-time.

Contractor shall report any unusual security problems to Facilities Management.

Contractor shall use designated janitorial closets and areas for storage of equipment and supplies. Janitorial closet areas shall be kept clean and orderly.

**Contractor shall not permit visitors and children inside buildings at any time.**

Contractor shall check the Logbook daily/nightly for instructions and cleaning problems.

Contractor shall repair/replace, at Contractor's cost, any furnishings or fixtures damaged by Contractor's employees.

The Contractor shall turn in lost and found articles to Facilities Management within twenty-four (24) hours.

## **1.16 IDENTIFICATION OF EMPLOYEES**

Contractor shall provide uniforms and identification of its employees. All employees shall wear uniforms at all times while in City facilities so that each employee is readily identifiable. All Contractors' personnel shall be clean and neat at all times. Minimum requirement of a uniform shall be a shirt with company name, logo and employee name permanently attached. City supplied picture ID badges shall also be worn and displayed at all times Contractor's employees are in City facilities.

## **1.17 CERTIFIED PAYROLL**

The Contractor shall provide monthly-certified payroll verification for all Contractors' employees used in the performance of this Contract, if requested by City.

## **1.18 MINIMUM QUALIFICATIONS**

**Contractor shall completely meet the following minimum qualifications.**

### **1. Contractor Experience**

Contractor and Contractor's key personnel who will have supervisory roles in this Contract shall have a minimum of three (3) years of recent and continuous, comparable experience.

### **2. 24-Hour Response**

Contractor shall have 24-hour, 7-day emergency response capability. Contractor will provide a complete description of response system, e.g., pagers, mobile phone, answering service, etc.

## **1.19 INSURANCE**

The Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Contract, insurance for not less than the dollar limits contained in the "Agreement Form Section" of this package.

## **1.20 SECURITY CLEARANCES**

The Contractor shall provide names and other requested information to Facilities Management on **all** principals and employees being used in the execution of this Contract for the purpose of obtaining a Security Clearance. No principal or employee shall be allowed to enter any City facility for work purposes until a Security Clearance is completed. The Contractor shall allow a minimum of two (2) weeks for Security Clearance.

## **1.21 MSDS**

The Contractor shall supply Material Safety Data Sheets for all products supplied by the Contractor for use in performance of this Contract. No products shall be approved for use, which contain lasting fragrance. These Data Sheets, along with the products, shall be kept up-to-date and properly labeled. No product shall be used in City Facilities until MSDS have been reviewed and approved by Facilities Management.

## 1.22 REQUIRED TRAINING

The Contractor shall provide copies of all required programs as listed below. The programs shall be complete and include the names of all employees to be used in the performance of this Contract. **Notc: All employees shall be trained prior to beginning work in City facilities.**

1. Certified HIV/Hepatitis training and vaccination program per OR-OSHA regulations OAR 437, Division 2, General Occupational Safety and Health Rules (29 CFR 1910.1030) blood-borne pathogens.
2. Hazardous Communications Program. (MSDS)
3. Tuberculosis (TB) training and optional testing program. (OSHA)
4. Custodial/Housekeeping training program on proper techniques and cleaning methods including training on the use of non-fragranced supplies complete with all related safety warnings.

## 1.23 GENERAL CONTRACT CONDITIONS

### A. Prices to Cover Entire Work

Contractor shall include in the DAS workbook's proposal, the entire cost of the work set forth in these specifications. It is understood and agreed that there is included in the total cost of this proposal, the entire cost of equipment, all materials/cleaning supplies not covered by the City Section 1.13 of this bid and all Contractor's labor to the City for completion of the work specified.

### B. Addition or Termination of Services

1. This Contract may be terminated by mutual consent of both parties, or by either party upon sixty (60) days' notice, in writing, and delivered by mail or in person.
2. The City, by written notice of default, may terminate this Contract if Contractor fails to provide any part of the services described herein within the time specified for completion of that part or any extension thereof.
3. Upon termination before completion of the services, payment to the Contractor shall be prorated to include payment for all hours actually worked and include the day of termination and shall be in full satisfaction of all claims by Contractor against the City under this Contract.
4. Termination under provision of this paragraph shall not affect any right, obligation or liability of Contractor or liability of Contractor or City, which accrued prior to termination.

5. The City may terminate at any location that may be closed down or moved. The City reserves the right to terminate service to individual buildings due to inconsistent or inadequate service. The City may add any facility or portion thereof (or location), which may be acquired by the City. The City may, at its discretion, delete or add provided services at any location(s) as it may deem necessary. Contract pricing shall be renegotiated with current Contractor in event of addition or deletion of facilities/services. In the event that the parties cannot agree upon a rate for said increase or decrease in the service, the Contract may be terminated by either party upon sixty (60) days written notice. Any partial termination shall not affect the obligation of the Contractor to fulfill the Contract at other locations. Failure to comply with the specifications shall be considered good and sufficient cause for termination.

#### **1.24 SUBCONTRACTING OF SERVICES**

The Contractor is prohibited from subcontracting or franchising any Contracted services without obtaining, in advance, the written consent of the City.

#### **1.25 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

The Contractor shall keep informed about and comply with any and all applicable local, state and federal laws.

#### **1.26 NONPERFORMANCE**

In the event of nonperformance under the resulting Contract, the City, after twenty-four (24) hours' written notice to the Contractor, shall have the right to accomplish the work not performed, and it is agreed that the cost for said work or goods shall be borne by the Contractor.

For purposes of this section, nonperformance shall be defined as failure to appear and perform work and/or deliver goods as specified and scheduled.

#### **1.27 DISPUTES**

In case of any doubt or differences of opinions as to the items or service to be furnished hereunder, or the interpretation of the provisions of the specifications, the decision of the City of Milwaukie shall be final and binding upon all parties.

#### **1.28 TERM OF CONTRACT**

The Contract term shall be for a one (1) year period. The Contract may be renewed for four (4) additional one-year periods upon written agreement between the Contractor and the City of Milwaukie.

In the event the Contractor fails to comply with the terms and conditions of the Contract, the City reserves the right to demand remedy of any failure or any fault within seven (7) days, and if the Contractor fails to remedy the fault or failure within seven (7) days, the City shall have the right to cancel and terminate the Contract without additional notification.

### **1.29     NOTICES**

Notices by Contractor to the City regarding this agreement shall be made in writing to: City of Milwaukie Facilities Management, 6101 SE Johnson Creek Blvd., Milwaukie, OR 97206.

Notice by the City to Contractor shall be made in writing to the Contractor at the mailing address shown on the agreement.

### **1.30     EMPLOYMENT STANDARDS**

The Contractor is expected to use prudent judgment in the selection of a work force. Proven judgment, integrity, work habits and skill proficiency of employees are essential employee requirements.

All custodial personnel must have a security clearance. There will be no exceptions and no substitutions of personnel without prior security clearance checks.

The Contractor shall not assign to the facilities any employees who have been convicted of any felonies, or misdemeanors, which reflect negatively upon the honesty, reliability, general trustworthiness, or prudent judgment of the employees.

All Contractors' employees shall be bonded.

The Contractor is expected to adhere to "Equal Opportunity" principles and practices in relationships with his/her employees.

Employees of Contractor **shall not be accompanied or assisted by non-employees during work shifts (including their own children).**

Contractor shall provide the City Facilities Management Department an accurate, typed roster of all management and janitorial work force personnel who have any relationship with the work to be performed at the City's facilities. Roster data must include full names, home addresses and home telephone numbers. The roster shall be continuously updated to reflect any personnel changes.

**In the interest of safety, Contractor's employees must be able to communicate in English both orally and in writing, or be accompanied at all times by an employee of Contractor who is able to do so.**

### **1.31     SECURITY**

Any disclosure or removal of any matter and/or property from City facilities on the part of the Contractor shall be cause for immediate cancellation of the Contract. Any liability, including, but not limited to, attorney's fees, resulting from any such action or suit brought against the City as a result of the Contractor's willful or negligent release of information, documents or property

contained in the building shall be borne by the Contractor. **All information, documents and property contained within these facilities shall be considered privileged and confidential and should be treated as such.**

### **1.32 ASSIGNMENT**

Neither the resultant Contract nor any of the requirements, rights or privileges demanded by it may be sold, assigned, Contracted or transferred by the Contractor without express written consent of the City of Milwaukie.

### **1.33 METHOD OF PAYMENT**

Payment shall be reviewed and approved by Facilities Management upon submission of two copies of invoices at the end of each month to: City of Milwaukie Facilities Management, 6101 SE Johnson Creek Blvd., Milwaukie, OR 97206. Services will not be prepaid.

### **1.34 NON-APPROPRIATION**

In recognizing that there are (4) additional one year period options to renew and the City can only receive budget approval for one (1) fiscal year at a time, non-appropriation would be considered a legitimate release from the agreement providing thirty (30) days' written notice was given; and no other funds were appropriated for the same fiscal period that would provide essentially the same or similar service as is outlined in this agreement.

The Contractor agrees that if payment for the Contract extends into the City's next fiscal year, it is made subject to future appropriations by the City Council of the City of Milwaukie, Oregon, to fund its provisions, and may be canceled by the City upon thirty (30) days' written notice to Contractor of any such failure.

### **1.35 CLEANING PERFORMANCE STANDARDS**

**The following standards shall apply to all facilities.**

#### **I. INSPECTIONS**

##### **A. CONTRACTOR'S ON-SITE SUPERVISION**

Contractor's performance shall be maintained by continuing on-site supervision of work performed to ensure that standards of cleanliness and preservation are being attained by janitorial crews.

The following standards represent a high level of cleanliness, which defines the **minimum** level of service. If portions of this attachment appear to reduce the service level required by another portion, Contractors shall use the higher standard.

##### **B. INSPECTION BY CITY REPRESENTATIVE**

All services required to be performed under this Contract shall be subject to inspection at any time by a representative of the City. If any such services are found to be unsatisfactory and not in accordance with the Task Schedule, the City shall notify the Contractor and the Contractor shall take immediate steps for corrective action at no additional cost to the City.

Written notices of unsatisfactory conditions or need for corrections shall be transmitted to the Contractor as described in "CUSTODIAL SERVICE AND COMPLAINT CORRECTIVE ACTION PROCEDURE", listed below. Notices for corrections sent by Facilities Management shall be considered official notices.

**C. CUSTODIAL SERVICE COMPLAINT AND CORRECTIVE ACTION PROCEDURE FOR USE IN ALL CITY FACILITIES**

This procedure has been developed to assist Facilities Management in properly resolving janitorial complaints and documenting Contract variations. Action shall be taken against the Contractor should problems persist and not be corrected as required by the Contract. Your help in monitoring the service provided is essential to the success of the Contractor's adherence to janitorial specifications. Thank you for your time and assistance.

**1. Should a problem with the cleaning occur:**

All facilities shall have a logbook located in a designated area. This logbook shall be read by the Contractor each night. Log the complaint with the date and area of the problem. The Contractor shall check the log each night, take corrective action and sign the logbook.

**2. If the problem is not corrected by the next working day:**

Call 503-786-7621, 503-786-7603 or 503-786-7614 and speak to one of the facility representatives or leave specific information about the complaint, and give your name and number where you can be reached.

**3. If the problem is corrected but consistently reoccurs:**

Always log the complaint in the logbook. Call Facilities Management at 503-786-7621, 503-786-7603, or 503-786-7614 and a work order will be processed with the information you give. Please be specific with the complaint, and give your name and phone number where you can be reached. You will be contacted regarding your complaint.

**4. If you need emergency response for clean up:**

Call 503-786-7621, 503-786-7603, or 503-786-7614 during regular office hours. An emergency contact number will be provided for after-hours calls.

## II. CLEANING QUALITY DEFINITIONS

### A. FLOOR MAINTENANCE:

Vacuum **thoroughly** all carpeted areas, using professionally appropriate vacuuming equipment. This shall include all areas of each facility, under desks, chairs and tables.

Edge all carpeted areas.

Spot clean all carpeted areas.

Vinyl tile in all buildings shall be dusted with treated dust mops. Spills and spots shall be removed.

Damp mop all resilient flooring with appropriate cleaning agents.

Sweep, **wet mop** and disinfect all kitchen/dining room, restroom/locker room and shower room floors.

Vacuum entrance mats and all other separate mats as may be required throughout the building. Clean under entrance mats.

Sweep or vacuum stairways.

### B. WASTE MATERIALS:

Empty all trash containers into central collection containers. Clean trash containers as necessary to maintain clean, odor-free containers. Replace can liners as necessary. All liners in restrooms and kitchen/dining areas shall be replaced daily.

Empty and clean all outside ashtrays and trash receptacles.

### C. DUSTING:

Dust all desks, tops of partitions, tops of doorways, tops of vending machines, legs on bottom of chairs, filing cabinets, bookcases, other furniture, counter tops, window sills, and window ledges, from floor to a height of seventy-two (72) inches. Note: paperwork spread out on desks or other surfaces is not to be disturbed or moved.

Dust high (over 72 inches) moldings, shelves, bookcases, door casings, window casings, hanging light fixtures, partition tops, ledges, etc. There shall be no cobwebs visible in any areas.

**D. RESTROOMS:**

Clean and disinfect all urinals and toilets using appropriate cleanser for the removal of stains.

Wash and disinfect partitions, sheetrock, tile walls and showers. Remove all graffiti.

Clean and disinfect all sinks and counter tops.

Service all soap, towel, toilet tissue and seat cover dispensers.

Clean mirrors, and empty trash. Service as required to maintain high standards of cleanliness.

**E. DOORS, DOOR KNOBS, DOOR JAMBS, WALLS, FINISH MOLDINGS, CEILINGS, AND ELEVATORS:**

Remove all fingerprints and other smudges from all doors, doorknobs, doorjambes, walls (especially around switch and electrical outlet cover plates), finish moldings and ceilings.

Clean and polish chrome and bright metal, entrance doors and kick and push plates.

Vacuum or wet mop elevator floors, wipe down walls. Remove graffiti.

Elevator floor tracks shall be clean and free of all foreign materials and dirt.

Clean/polish elevator doors, control panels and floor indicator plates where applicable.

Remove vacuum cord marks from doorjambes and outside corners of walls and partitions.

**F. FURNITURE:**

Vacuum all upholstery and carpet partitions. Polish wood and smooth upholstery surfaces.

Clean leather, plastic, vinyl and Naugahyde furniture and furniture covers. Polish office furniture, which has been cleared of all paper, books, etc.

**G. GLASS:**

Clean mirrors, reception counter glass, and door relites.

The interior and exterior sides of all facility windows shall be cleaned four times per year.

**H. INCIDENTALS:**

Check and acknowledge entries in janitorial logs.

Advise Facilities Management of any irregularities noted during servicing (i.e. defective plumbing fixtures, burned-out lights, graffiti which cannot be removed, etc.).

Spot check employee work stations and perform any incidental cleaning supplementary to regular waste removal, dusting and vacuuming necessary to ensure clean, neat appearing work areas.

In kitchen areas, clean and wash all beverage-dispensing machines, exteriors of cooking appliances and kitchen fixtures and counter tops.

Wipe and thoroughly clean lunch and conference room tables with appropriate cleaning agents.

Check entry areas and clean as necessary both sides of all entry related glass doors and associated interior glass panels and frames.

Spot-check and clean high traffic and heavy soilage areas. Spot shampoo carpeted areas.

Clean and disinfect all telephone handsets.

Clean and disinfect all drinking fountains.

Turn off all lights except those required to be left on.

Close and lock all entrance doors and windows.

Reset alarm system in each building as necessary.

BUILDING CLEANING/TASK SCHEDULE

LOBBIES, PUBLIC CORRIDORS, STAIRWELLS, AND ELEVATOR CABS	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty and damp wipe all waste receptacles, replace liners as needed	X					
Dust mop all areas using a treated mop	X					
Spot clean all vertical surfaces	X					
Dust all horizontal surfaces within 72" in height		3X				
Clean all horizontal surfaces within 72" in height		X				
Sanitize and polish all drinking fountains	X					
Clean and polish all metal bright work		3X				
Spot clean all walls, doors, light switches, control panels, thresholds and elevators	X					
Clean elevator door tracks on each floor	X					
Dust all high reach areas (above 72")		X				
Vacuum all carpeted areas	X					
Vacuum all upholstered furniture		X				
Dust all low reach areas including base- boards and ledges		X				
Detail vacuum/edge all areas		X				
Vacuum all ceiling and wall air grills			X			
Wash all ceiling and wall air grills				X		
Spot mop all resilient floor surfaces	X					
Complete mop all resilient floor surfaces		3X				
Dust blinds and drapes			X			
Spot clean with extractor or spotting agent all carpet spots and spills	X					
Spot clean all upholstered furniture and fabric partitions		X				
Clean door glass and relite glass, recep- tion/counter glass	X					
Dust all office furniture and equipment within 72" height		X				
Sanitize phone receivers	X					
Dust around and behind office equipment		X				
Clean window sills and ledges		X				
Wipe down countertops, tables	X					

Wipe down non-upholstered lobby furniture with disinfectant	X				
Clean visible marks/prints from interior of windows	X				
Dust lamps, side tables	X				
Clean washable furniture and equipment with disinfectant cleaner			X		

REST ROOMS, LOCKER ROOMS, SHOWER ROOMS, WORK OUT AREA (PSB)	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty trash, replace liners and clean outside of containers	X					
Vacuum all carpeted areas	X					
Clean, disinfect all rest room, locker room fixtures (i.e. toilet, urinals, sinks,)	X					
Clean, disinfect all restroom partitions, walls and doors	X					
Clean and sanitize all showers	X					
Clean and fill all dispensers	X					
Sweep all floors	X					
Spot clean all walls	X					
Clean and sanitize all floors	X					
Polish all metal brightwork		3X				
Dust all blinds			X			
Clean all glass and mirrors	X					
Clean and disinfect exercise equipment	X					

OFFICES, MEETING ROOMS AND COMMON/GENERAL USE AREAS	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty all trash	X					
Wipe down countertops, tables with a disinfectant cleaner	X					
Clean and sanitize all telephones		X				
Dust all furniture, equipment and accessories		X				
Vacuum all carpeted areas	X					
Detail vacuum/edge all carpeted areas		X				

Spot clean all vertical surfaces	X					
Vacuum all ceiling and wall air grills			X			
Wash all ceiling and wall air grills				X		
Dust all blinds and drapes			X			
High dust all surfaces over 72"			X			
Low dust all surfaces including baseboard and ledges		X				
Spot clean with extractor or spotting agent all carpet spots and spills		3X				
Spot clean all upholstery furniture and fabric partitions			X			
Dust around and behind computer terminals			X			
<b>FLOOR CARE</b>		<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Semi-Annual</b>
						<b>Annual</b>
Spot clean all carpeted areas	X					
Maintain high gloss finish on vinyl and tile floors			X			
Steam extract carpets in lobbies, meeting rooms, hallways and high traffic areas			X			
Complete strip and wax all resilient floors				X		
Steam extract carpets in offices				X		

<b>EATING AREAS</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Semi-Annual</b>	<b>Annual</b>
Damp clean and sanitize tables, counters, appliance exteriors	X					
Empty all containers and disposals. Wash and sanitize interior and exterior of all containers	X					
Clean, disinfect sinks	X					
Mop with disinfectant cleaner	X					
Vacuum carpeted areas	X					
Clean and fill dispensers	X					
Low dust all surfaces below 72"	X					
High dust all surfaces above 72"		X				

MISCELLANEOUS	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty and clean exterior ashtrays and trash receptacles in or near exterior doors	X					
Check logbook and make corrections	X					
Wash all windows, interior & exterior, of entire building				X		
Notify Facilities Management of any irregularities (defective plumbing, lights out, unlocked doors)	X					
Turn off all lights except those to be left on, close and latch windows and lock all doors	X					
Sweep all outside sidewalks	X					
*Remove Leaf debris from City Hall outside stairwells, and drains at bottom of stairwells (*daily during autumn season)	X	X				
Remove leaf debris from Library roof (*daily during autumn season)	X	X				

## **Public Service (JCB) and Public Safety Facilities**

### **Locker Room Cleaning**

#### **Showers**

1. Clean all paper, clothing, etc. from area
2. Spray with appropriate cleaner, use hose end sprayer
3. Scrub walls with scrub brush (cover every tile top to bottom)
4. Scrub floors with scrub brush (cover every tile)
5. Rinse with hose and remove all debris from floor (spray every tile)
6. Clean floor drains out (hair, etc.)

#### **Benches**

1. Clean all paper, clothing, etc. from area
2. Spray with appropriate cleaner, use hose end sprayer
3. Scrub benches with scrub brush (cover every tile top to bottom)
4. Rinse with hose and remove all debris from floor (spray every tile)
5. Clean floor drains out (hair, etc.)

#### **Floors**

1. Clean all paper, clothing, etc. from area
2. Spray with appropriate cleaner, use hose end sprayer
3. Scrub floor with scrub brush (cover all concrete)
4. Rinse with hose and remove all debris from floor (spray every tile)
5. Clean floor drains out (hair, etc.)

**After entire locker room has been scrubbed out using appropriate cleaner, use hose end sprayer and spray entire locker room with mint-o-quat. Let sit for 5 min. then hose out with water. Clean drains again.**

**Once scrubbing has been done, clean mirrors and counter tops. Make sure everything is clean and stocked.**



**Department of Administrative Services**

**STATE PROCUREMENT OFFICE (SPO)**

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**Request for Approval of Price Determination**

For Janitorial Services, Contract # \_\_\_\_\_  
(product or service)

Total Price: \$ 109,907.59, per yr

Requesting Agency: CITY OF MILWAUKEE - 5 sites

Requesting QRF: Diversified Abilities

Agency and QRF agree the proposed price and supporting documentation meets the requirements of OAR 125-055-0030.

[Signature] date: 6/14/06  
Authorized Agency Signature

F. KELLY SOMMERS  
Print Name

Ann Toth Director date: 6-14-06  
Authorized QRF Signature

ANN TOTTH  
Print Name

DAS/SPO has reviewed the submitted documentation supporting the price offered by the QRF and approves the price for procurement of the above stated product or service in accordance with OAR 125-055-0030.

[Signature] date: 6/30/06  
DAS/SPO QRF Coordinator



**SUMMARY OF ANNUAL COSTS**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Diversified Abilities  
Project City of Milwaukie Janitorial-Library

**Executive Director Signature:**

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<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	-
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	2,527.26
		<b>Subtotal 1</b>	<b>\$ 2,527.26</b>
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	13,020.50
<b>Overhead</b>			
See Overhead Worksheet		\$	3,829.97
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	623.20
		<b>Total Before Margin</b>	<b>\$ 20,000.93</b>
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	1,276.66
		<b>Total Bid Yearly</b>	<b>\$ 21,277.59</b>
		<b>Monthly</b>	<b>\$ 1,773.13</b>

Diversified Abilities

City of Milwaukee Janitorial-Library

**Raw Materials:**

This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap  
 Cleaning chemicals or products  
 Spray bottles

Broom and dustpan  
 Floor Wax  
 Scrub brushes or scouring pads

**Per Use/Per Item Manufactured - Supplies**

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
			<b>Total</b>		

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

**RAW MATERIALS**

Equipment, Tools & Subcontractors  
 Diversified Abilities  
 City of Milwaukee Janitorial-Library

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Map buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
Strip/wax	\$ 575.00	4	\$ 2,300.00
			\$ -
			\$ -
			\$ -
			\$ 2,300.00

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Carpet extractor	\$ 4,395.00	48	12	25%	\$ 1,098.75	15%	\$ 164.81	1	\$ 164.81
2	Floor Machine/buffer	\$ 2,496.00	48	12	25%	\$ 624.50	10%	\$ 62.45	1	\$ 62.45
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									<b>Total</b>	<b>\$ 227.26</b>

Areas in green are formula driven.

Useful Life of Assets = What is the estimated useful life of the equipment in months

Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.

Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.

Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)

Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.

# of Units = Multiply by units needed to complete the contract/service.

Annual Cost = Computed by project unit cost times the number of units.

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits Sub/Total 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Supervisor	0.50	\$ 15.00	50%	\$ 3.75	0.0765	\$ 0.28	4.00%	\$ 0.15	3.78%	\$ 0.14		\$ -	\$ 4.33		304	\$ 1,315.90	152.00
2 Tech	2.00	\$ 8.00	100%	\$ 16.00	0.0765	\$ 1.22	4.00%	\$ 0.64	3.78%	\$ 0.60		\$ -	\$ 19.47		304	\$ 5,614.52	608.00
3 Tech/ast	4.00	\$ 8.00	100%	\$ 32.00	0.0765	\$ 2.45	4.00%	\$ 1.28	3.78%	\$ 1.21		\$ -	\$ 36.94		52	\$ 1,920.76	268.00
4 Specialist/carpent ext.	15.00	\$ 15.00	100%	\$ 225.00	0.0765	\$ 17.21	4.00%	\$ 9.00	3.78%	\$ 9.51		\$ -	\$ 259.72		4	\$ 1,038.87	60.00
5 Specialist/windows	12.00	\$ 15.00	100%	\$ 180.00	0.0765	\$ 13.77	4.00%	\$ 7.20	3.78%	\$ 6.80		\$ -	\$ 207.77		4	\$ 831.10	48.00
6 Technician shift	1.00	\$ 8.00	100%	\$ 8.00	0.0765	\$ 0.61	4.00%	\$ 0.32	3.78%	\$ 0.30		\$ -	\$ 9.23		249	\$ 2,299.37	249.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
<b>Total</b>														\$ 536.46	<b>Total</b>	\$ 13,020.90	1,325.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.55%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits as a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. Be sure to account for time between jobs also. Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

**FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!**

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

**Percent of Total Cost Method:**  
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenses that make up the overhead costs (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total cost. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

**Dollar-Figure Sum Method:**  
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

**Percent of Total Direct Labor Method:**  
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "Other" please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text"/>
Time required to complete contract	<input type="text" value="1225"/>
Total Assigned Overhead	\$ <input type="text"/>

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
<b>TOTAL INDIRECT COSTS</b>	\$ <input type="text"/>	\$ <input type="text"/>
CPI Factor from BLS (see link below)	1.66%	1.65%
Total	\$ <input type="text"/>	\$ <input type="text"/>

**WORK AREA:**  
Use the area below to show how you arrived at the final figure that you show as your total Overhead

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 37.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1		5	0.41	\$ 2.05	304	\$ 623.20
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.05		\$ 623.20

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**SUMMARY OF ANNUAL COSTS**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another worksheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name   
Project

**Executive Director Signature:**

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)		\$ -
Equipment, Tools & Subcontracting	(from small equipment worksheet)		\$ 5,149.88
		<b>Subtotal 1</b>	\$ 5,149.88
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)		\$ 12,221.15
<b>Overhead</b>			
See Overhead Worksheet			\$ 4,235.09
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)		\$ 510.45
		<b>Total Before Margin</b>	\$ 22,116.56
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)		\$ 1,411.70
		<b>Total Bid Yearly</b>	\$ 23,528.26
		<b>Monthly</b>	\$ 1,960.69

**RAW MATERIALS**

Supplies  
Diversified Abilities  
City of Milwaukie Janitorial-City Hall

**Raw Materials:**

This category is often spelled out in the Request for Offer (RFO). Language such as "items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

- |                                |                                |
|--------------------------------|--------------------------------|
| Paper products and soap        | Broom and dustpan              |
| Cleaning chemicals or products | Floor Wax                      |
| Spray bottles                  | Scrub brushes or scouring pads |

**Per Use/Per Item Manufactured - Supplies**

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
			<b>Total</b>		

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

**RAW MATERIALS**

Equipment, Tools & Subcontractors  
 Diversified Abilities  
 City of Milwaukee Janitorial-City Hall

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
Strip/wax	\$ 795.00	4	\$ 3,180.00
scrub/wax	\$ 465.00	4	\$ 1,860.00
			\$ -
			\$ -
			\$ 5,040.00

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Carpet extractor	\$ 4,395.00	48	12	25%	\$ 1,098.75	10%	\$ 109.88	1	\$ 109.88
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									<b>Total</b>	<b>\$ 109.88</b>

Areas in green are formula driven.

- Useful Life of Assets = What is the estimated useful life of the equipment in months
- Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.
- Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.
- # of Units = Multiply by units needed to complete the contract/service.
- Annual Cost = Computed by project unit cost times the number of units.

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Supervisor	1.00	\$ 15.00	50%	\$ 7.50	0.0765	\$ 0.57	4.00%	\$ 0.30	3.76%	\$ 0.26		\$ -	\$ 8.63	249	\$ 2,155.68	249.00	
2 Tech	3.00	\$ 8.00	100%	\$ 24.00	0.0765	\$ 1.84	4.00%	\$ 0.86	3.76%	\$ 0.91		\$ -	\$ 27.78	249	\$ 6,898.10	747.00	
3 Tech/ast	4.00	\$ 8.00	100%	\$ 32.00	0.0765	\$ 2.45	4.00%	\$ 1.28	3.76%	\$ 1.21		\$ -	\$ 38.94	52	\$ 1,920.76	208.00	
4 Specialist/carpent. ext.	8.00	\$ 15.00	100%	\$ 120.00	0.0765	\$ 9.18	4.00%	\$ 4.80	3.76%	\$ 4.54		\$ -	\$ 138.52	4	\$ 554.08	32.00	
5 Specialist/windows	10.00	\$ 15.00	100%	\$ 150.00	0.0765	\$ 11.48	4.00%	\$ 6.00	3.76%	\$ 5.87		\$ -	\$ 173.15	4	\$ 692.58	40.00	
6				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
7				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
8				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
9				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
10				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
11				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
12				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
13				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
14				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
15				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
16				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
17				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
18				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
19				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
20				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	0.00	
<b>Total</b>														\$ 384.98	<b>Total</b>	\$ 12,221.15	1,276.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 60% of their time on this contract, and 60% of their time on a different contract. If their monthly benefit is \$100, then only \$60 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1, 2, 3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical steps to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floor, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract. Also, be sure to add the appropriate "Other Payroll Expense" (CPE) for your organization onto the wage.

Matching FICA

Workers' Comp at your cost

Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

**FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!**

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

**Percent of Total Cost Method:**

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add the figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

**Dollar-Figure Sum Method:**

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

**Percent of Total Direct Labor Method:**

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other" please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text"/>
Time required to complete contract	<input type="text" value="1,276"/>
Total Assigned Overhead	\$ <input type="text"/>

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Retiree		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
<b>TOTAL INDIRECT COSTS</b>	\$ -	\$ -
CPI Factor from BLS (see link below)	1.66%	1.66%
<a href="http://www.bls.gov/news.release/cpi.html">http://www.bls.gov/news.release/cpi.html</a>		
<b>Total</b>	\$ -	\$ -

**WORK AREA:**

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Blank area for showing calculations and supporting data for the total overhead figure.

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 37.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1		5	0.41	\$ 2.05	249	\$ 510.45
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.05		\$ 510.45

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**SUMMARY OF ANNUAL COSTS**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Diversified Abilities  
Project City of Milwaukie Janitorial-JCB

Executive Director Signature:

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ -
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 5,109.88
	<b>Subtotal 1</b>	\$ 5,109.88
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 12,339.47
<b>Overhead</b>		
See Overhead Worksheet		\$ 4,255.09
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ 516.60
	<b>Total Before Margin</b>	\$ 22,221.03
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,418.36
	<b>Total Bid Yearly</b>	\$ 23,639.40
	<b>Monthly</b>	\$ 1,969.95

**Raw Materials:**

This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

- |                                |                                |
|--------------------------------|--------------------------------|
| Paper products and soap        | Broom and dustpan              |
| Cleaning chemicals or products | Floor Wax                      |
| Spray bottles                  | Scrub brushes or scouring pads |

**Per Use/Per Item Manufactured - Supplies**

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
			<b>Total</b>		

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

**RAW MATERIALS**

Equipment, Tools & Subcontractors  
 Diversified Abilities  
 City of Milwaukie Janitorial-JCB

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.  
 Do not include any vehicle or transportation costs in this schedule.  
**Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.**

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
Strip/Wax	\$ 1,250.00	4	\$ 5,000.00
			\$ -
			\$ -
			\$ -
			\$ 5,000.00

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Carpet extractor	\$ 4,395.00	48	12	25%	\$ 1,098.75	10%	\$ 109.88	1	\$ 109.88
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									<b>Total</b>	<b>\$ 109.88</b>

Areas in green are formula driven.

- Useful Life of Assets = What is the estimated useful life of the equipment in months
- Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.
- Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.
- # of Units = Multiply by units needed to complete the contract/service.
- Annual Cost = Computed by project unit cost times the number of units.



There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

**FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!**

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

**Percent of Total Cost Method:**

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expense lines that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

**Dollar-Figure Sum Method:**

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

**Percent of Total Direct Labor Method:**

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "Other", please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text"/>
Time required to complete contract	<input type="text" value="1,296"/>
Total Assigned Overhead	\$ <input type="text"/>

Worksheet	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
<b>INDIRECT COSTS</b>		
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
<b>TOTAL INDIRECT COSTS</b>	\$ -	\$ -
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/iif/oshwc/osh/ohm/		
<b>Total</b>	\$ -	

**WORK AREA:**

Use the area below to show how you arrived at the final figure that you show as your total Overhead

This category covers any costs associated with delivering your product or service to the buyer. A services contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 37.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1		5	0.41	\$ 2.05	252	\$ 516.60
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.05		\$ 516.60

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**SUMMARY OF ANNUAL COSTS**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Diversified Abilities  
Project City of Milwaukie Janitorial-JCB Annex

**Executive Director Signature:** \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	-
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	109.88
		<b>Subtotal 1</b>	<b>\$ 109.88</b>
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	11,671.70
<b>Overhead</b>			
See Overhead Worksheet		\$	2,911.27
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	510.45
		<b>Total Before Margin</b>	<b>\$ 15,203.30</b>
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	970.42
		<b>Total Bid Yearly</b>	<b>\$ 16,173.72</b>
		<b>Monthly</b>	<b>\$ 1,347.81</b>

commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

- |                                |                                |
|--------------------------------|--------------------------------|
| Paper products and soap        | Broom and dustpan              |
| Cleaning chemicals or products | Floor Wax                      |
| Spray bottles                  | Scrub brushes or scouring pads |

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1				\$ -	\$ -
2				\$ -	\$ -
3				\$ -	\$ -
4				\$ -	\$ -
5				\$ -	\$ -
6				\$ -	\$ -
7				\$ -	\$ -
8				\$ -	\$ -
9				\$ -	\$ -
10				\$ -	\$ -
11				\$ -	\$ -
12				\$ -	\$ -
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17				\$ -	\$ -
18				\$ -	\$ -
19				\$ -	\$ -
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
			<b>Total</b>	\$ -	\$ -

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers Comp %	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits Sub-Total 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Supervisor	1.00	\$ 15.00	50%	\$ 7.50	0.0765	\$ 0.57	4.00%	\$ 0.30	3.78%	\$ 0.28		\$ -	\$ -	\$ 8.66	249	\$ 2,155.65	249.00
2 Tech	3.00	\$ 8.00	100%	\$ 24.00	0.0765	\$ 1.84	4.00%	\$ 0.88	3.78%	\$ 0.91		\$ -	\$ -	\$ 27.70	249	\$ 6,898.10	747.00
3 Tech/dust	3.00	\$ 8.00	100%	\$ 24.00	0.0765	\$ 1.84	4.00%	\$ 0.98	3.78%	\$ 0.91		\$ -	\$ -	\$ 27.70	52	\$ 1,440.57	168.00
4 Specialist/windows	5.00	\$ 15.00	100%	\$ 75.00	0.0765	\$ 5.74	4.00%	\$ 3.00	3.78%	\$ 2.84		\$ -	\$ -	\$ 86.57	4	\$ 346.28	20.00
5 Specialist/carpent ext.	4.00	\$ 15.00	100%	\$ 60.00	0.0765	\$ 4.59	4.00%	\$ 2.40	3.78%	\$ 2.27		\$ -	\$ -	\$ 89.26	4	\$ 357.03	16.00
6 Specialist/scrub tile	8.00	\$ 15.00	100%	\$ 120.00	0.0765	\$ 9.18	4.00%	\$ 4.89	3.78%	\$ 4.54		\$ -	\$ -	\$ 138.52	4	\$ 554.06	32.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -		\$ -	0.00
Total														\$ 358.41	Total	\$ 11,071.70	1,220.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or parts: hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employee's allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided


For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 6 people working at 50% productivity for 2 hrs. each. (6x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA

Workers' Comp at your cost

Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

**RAW MATERIALS**

Equipment, Tools & Subcontractors  
 Diversified Abilities  
 City of Milwaukie Janitorial-JCB Annex

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

**Note:** Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Carpet extractor	\$ 4,395.00	48	12	25%	\$ 1,098.75	10%	\$ 109.88	1	\$ 109.88
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									Total	\$ 109.88

Areas in green are formula driven.

- Useful Life of Assets = What is the estimated use'ul life of the equipment in months
- Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.
- Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.
- # of Units = Multiply by units needed to complete the contract/service.
- Annual Cost = Computed by project unit cost times the number of units.

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

**FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!**

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

**Percent of Total Cost Method:**

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add the figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

**Dollar-Figure Sum Method:**

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

**Percent of Total Direct Labor Method:**

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs (including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text"/> -
Time required to complete contract	<input type="text" value="1,250"/>
Total Assigned Overhead	\$ <input type="text"/> -

Worksheet	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
<b>INDIRECT COSTS</b>		
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
<b>TOTAL INDIRECT COSTS</b>	\$ -	\$ -
CPI Factor from BLS (see link below)	1.55%	1.55%
<a href="http://www.bls.gov/ch/10/1033010.htm">http://www.bls.gov/ch/10/1033010.htm</a>		
<b>Total</b>	\$ -	

**WORK AREA:**

Use the area below to show how you arrived at the final figure that you show as your total Overhead



It may be necessary to provide any costs associated with delivering your product or service to the driver. A service contract, for example, will likely include the costs associated with paying the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 37.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

**Services Contract**

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1		5	0.41	\$ 2.05	249	\$ 510.45
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.05		\$ 510.45

**Margin**

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%



**SUMMARY OF ANNUAL COSTS**

Oregon Department of Administrative Services  
 Budget Building Number 001

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Diversified Abilities  
 Project City of Milwaukie Janitorial-Public Safety Building

**Executive Director Signature:**

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	-
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	2,209.88
		<b>Subtotal 1</b>	<b>\$ 2,209.88</b>
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	16,476.48
<b>Overhead</b>			
See Overhead Worksheet		\$	4,551.95
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	533.00
		<b>Total Before Margin</b>	<b>\$ 23,771.31</b>
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	1,517.32
		<b>Total Bid Yearly</b>	<b>\$ 25,288.62</b>
		<b>Monthly</b>	<b>\$ 2,107.39</b>

**RAW MATERIALS**

Supplies

Diversified Abilities

City of Milwaukie Janitorial-Public Safety Building

**Raw Materials:**

This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

- |                                |                                |
|--------------------------------|--------------------------------|
| Paper products and soap        | Broom and dustpan              |
| Cleaning chemicals or products | Floor Wax                      |
| Spray bottles                  | Scrub brushes or scouring pads |

**Per Use/Per Item Manufactured - Supplies**

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1				\$ -	\$ -
2				\$ -	\$ -
3				\$ -	\$ -
4				\$ -	\$ -
5				\$ -	\$ -
6				\$ -	\$ -
7				\$ -	\$ -
8				\$ -	\$ -
9				\$ -	\$ -
10				\$ -	\$ -
11				\$ -	\$ -
12				\$ -	\$ -
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17				\$ -	\$ -
18				\$ -	\$ -
19				\$ -	\$ -
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
			<b>Total</b>	\$ -	\$ -

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

**RAW MATERIALS**

Equipment, Tools & Subcontractors  
 Diversified Abilities  
 City of Milwaukie Janitorial-City Hall

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

Description	Cost per Time	Times per Year	
Strip/wax	\$ 825.00	4	\$ 3,300.00
scrub/wax	\$ 475.00	4	\$ 1,900.00
			\$ -
			\$ -
			\$ 5,200.00

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Carpet extractor	\$ 4,395.00	48	12	25%	\$ 1,098.75	10%	\$ 109.88	1	\$ 109.88
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									<b>Total</b>	<b>\$ 109.88</b>

Areas in green are formula driven.

- Useful Life of Assets = What is the estimated useful life of the equipment in months
- Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.
- Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.
- # of Units = Multiply by units needed to complete the contract/service.
- Annual Cost = Computed by project unit cost times the number of units.



There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

**FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!**

1. Enter Overhead as a Percent of Total Costs 18.00%

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

**Percent of Total Cost Method:**

For every dollar spent producing a final product or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the raw materials, Direct Labor and Delivery for a total cost. Divide the figure for overhead by the figure for total cost. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

**Dollar-Figure Sum Method:**

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

**Percent of Total Direct Labor Method:**

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. List items which are not detailed below should be input into the cells marked "other" please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cells below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs (including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	1.000
Total Assigned Overhead	\$ -

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other *		
Other *		
Other *		
Other *		
<b>TOTAL INDIRECT COSTS</b>	<b>\$ -</b>	<b>\$ -</b>
CPI Factor from BLS (see link below)	1.00%	1.00%
Min/Max/Bill/Invoice/Other/Other		
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

**WORK AREA:**

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Vehicle Mileage: Estimated Public Safety Mileage

This template requires only those contracts which are being used to provide services. For example, you may include the costs associated with going to the site to provide the services to the place where the services will be performed, both air and ground transportation, and report on all part of delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 27.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

**Services Contract**

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1		5	0.41	\$ 2.05	260	\$ 533.00
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.05		\$ 533.00

**Margin**

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract.

6.0%

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 37.5 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

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Enter as a % of total cost of contract

6.0%



**EXHIBIT B****CITY OF MILWAUKIE (Buyer)  
STANDARD TERMS AND CONDITIONS**

1. **Packing & Shipment.** Deliveries shall be made as specified, without charge for boxing, crating, carting or storage. Material shall be suitably packed to ensure against damage from weather or transportation and to secure lowest transportation costs, and in accordance with the requirements of common carriers. Buyer's Order number and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing lists shall accompany each box or package shipment. Buyer's count or weight shall be conclusive on shipment not accompanied by packing lists. Unless otherwise specifically agreed on the reverse side of this Agreement, all costs of packaging and shipment are included in the purchase price and all goods will be shipped, with all costs prepaid. Risk of loss to goods in shipment (including damage, destruction, theft, or loss) shall be borne by the Contractor. Risk of loss shall not pass to Buyer until the goods are delivered to and checked in at the location specified by Buyer in this Order.
2. **Warranty.** Unless otherwise agreed in writing, Contractor warrants that the products ordered will conform to the specifications herein and to any drawings, samples, or other description furnished or adopted by Buyer. All products are warranted to be merchantable, to be of the highest quality design, material, and workmanship and free from defect and to be fit for purpose intended. All warranties shall survive inspection or test, acceptance and payment. Warranties shall run to Buyer, its successors, assigns and customers. Warranty period shall be (1) year from date of acceptance by Buyer.
3. **Inspection and Acceptance.** At Buyer's request, Contractor shall provide a complete inspection program; satisfactory to Buyer, for Buyer's inspection of all materials, fabricating methods, equipment in process work and finished products. If this Order provides for inspection of the work by Buyer on site during the period of manufacture, Contractor agrees to provide Buyer's inspectors with reasonable facilities and assistance during such inspection. Inspection by Buyer shall not unduly delay the work. Buyer may charge Contractor any additional cost incurred by Buyer if the work is not ready in accordance with the inspection schedule. Any inspection made or Waiver-of-Inspection-Notice given by Buyer will not relieve Contractor from its responsibilities for delivering products and work hereunder.  
Acceptance or rejection of the products shall be made up to 10 days after delivery and inspection by Buyer except as otherwise provided herein. Failure to inspect and accept or reject products shall neither relieve Contractor from responsibility for such products, which do not meet the requirements herein nor impose liability on Buyer therefor.
4. **Delivery.** If Contractor fails to meet the delivery schedule provided herein, Buyer may require Contractor to deliver the products, or any portion thereof, in any manner commercially necessary to speed delivery, all at the Contractor's sole expense. Unless otherwise agreed upon in writing by Buyer and Contractor, Contractor shall be required to pay the normal freight weight plus any premium rate required. Invoices covering products shipped in advance of the date specified will not be paid until after the date specified for delivery and are subject to rejection, as provided in this paragraph immediately below, if shipped too early.  
Neither party shall be liable for delays or defaults due to strike, fire, windstorm, riot, natural disaster, war, civil unrest or other similar unforeseeable cause beyond the control and without the fault or negligence of the party incurring such delay. Contractor shall notify Buyer in writing of the existence of such cause within five (5) days after the commencement of the delay or default giving pertinent information concerning such cause. No delivery shall be made more than seven (7) days prior to the applicable delivery date, and Buyer shall have the right to return earlier deliveries at Contractor's risk and expense or charge to Contractor any additional costs sustained because of the same.
5. **Buyer-Furnished Materials.** Contractor shall assume all risk of loss of any material furnished by Buyer to Contractor for use in performance of this Order.
6. **Taxes.** Contractor shall not invoice Buyer for any taxes nor include in Contractor's price any federal excise, state, or city tax or any other tax, unless Contractor has first asked Buyer for Buyer's tax exemption number and it has been agreed upon between both parties that Buyer is not exempt from the tax.
7. **Changes.** Buyer may, by written order, make changes including changes in drawings or specifications. Buyer will equitably adjust any difference in cost or time for performance resulting from such change and the Order modified in writing accordingly. ANY CLAIM BY CONTRACTOR UNDER THIS CLAUSE MUST BE ASSERTED IN WRITING WITHIN 30 DAYS FROM THE DATE OF CONTRACTOR'S RECEIPT OF THE CHANGE ORDER OR THE CLAIM WILL NOT BE ALLOWED.  
In the event that Buyer proposes any change prior to making such change by written order and such change will have an effect on the warranty of the products procured by this Order, Contractor shall notify Buyer in writing of such effect within 10 days of receipt of such proposal.
8. **Advertising.** Contractor shall not, without the written consent of Buyer, in any manner advertise or publish the fact that Contractor has furnished or contracted to furnish to Buyer the products herein.
9. **Cancellation for Cause.** Buyer may cancel all or any part of the undelivered portion of this Order if Contractor breaches any of the terms hereof or in the event of any of the following: Insolvency of Contractor, a voluntary or involuntary petition in bankruptcy for, by or against Contractor; the appointment of a receiver or trustee for Contractor, or an assignment for the benefit of creditors by Contractor or if Buyer has reasonable cause to believe Contractor will become insolvent, file for bankruptcy, go out of business or that the products being shipped may be subject to lien, claim or attachment by a creditor of Contractor. Any such cancellation under

this section shall be cancellation for cause and in the event of such cancellation, Buyer shall have the right to complete, or cause to have completed, this Order including the right to cause Contractor to produce, without liability of any kind to the Buyer, proprietary items of the Contractor as necessary to complete the Order. The remedies and damages in this section shall be cumulative and in addition to any other or further remedies provided at Law or in Equity, including reasonable and necessary attorney's fees and other costs of litigation.

10. Termination. City has the right, in its sole discretion, to terminate without cause or for no cause, to termination this Agreement at any time by giving notice to Contractor. If City terminates the contract pursuant to this section, it shall pay Contractor for goods shipped by Contractor prior to receipt by Contractor of the notice of termination. City may deduct the amount of damages, if any, sustained by City due to any breach of contract or warranty by Contractor. Damages for breach of contract or warranty shall be those allowed by Oregon law, reasonable and necessary attorney fees, witness fees (expert and non-expert), and other costs of litigation at trial and on appeal.
11. Assignment and Subcontracting. Contractor may not assign or subcontract any of its rights or obligations hereunder without the prior written approval of Buyer. Any unapproved assignment shall be void. Contractor shall be fully responsible for the acts or omissions of any subcontractors and all persons employed by them, and neither the approval by Buyer of any subcontract nor anything contained herein shall be deemed to create any contractual relation between the subcontractor and the Buyer. Buyer may assign its rights under this Order.
12. Work on Buyer's Premises. If Contractor's performance of this Order involves operations by Contractor on Buyer's premises, Contractor shall (a) provide all necessary and sufficient safeguards and take all proper precautions against the occurrence of injury to any person or damage to any property, and shall be responsible for and shall indemnify and hold harmless Buyer, its representatives, officers, employees, and agents from any and all loss, suit, action or claim, including cost and attorney's fees, by reason of injury, including death, to any person and carry public liability and property damage insurance with limits of liability of not less than \$300,000 each, unless higher limits are required by a signed purchase agreement, with contractual liability endorsement and such insurance of employees as may be required by any workmen's compensation act or other law, regulation or ordinance which may apply in the premises. Such public liability and property damage insurance shall also cover the operation of Contractor's vehicles used in the performance of Contractor's operations. Any policy of insurance written in accordance with the foregoing shall be appropriately endorsed to named Buyer, its officials, employees and agents as additional insureds, with provisions that such insurance is primary insurance with respect to their interest, and that any other insurance maintained by Buyer is excess and not contributory insurance with the insurance required hereunder, with cross-liability or severability of interest provisions, and shall further provide that the coverage provided thereby shall not be modified or discontinued or terminated except upon 30 days prior written notice to Buyer. Compliance shall be verified by Certificate of Insurance with appropriate endorsements sent to Buyer prior to Contractor commencing work on Buyer's premises. Any work performed on Buyer's premises must be done pursuant to all OSHA standards, all applicable State and Federal health and safety laws, rules and regulations and all workers must be covered by workers' compensation insurance furnished through and paid for by Contractor.
13. Stop Work Order. Buyer may, at any time by written order to Contractor, require Contractor to stop all, or any part of the work called for by this Order for a period of 90 days after the written order is delivered to Contractor, and for any further period to which the parties may agree and for any other period to which the parties may have agreed or as provided in Section 4, 10, and/or 11. Within the period of 90 days or less or within any extension of that period, Buyer shall either: (a) cancel the "Stop Work Order" and direct Contractor to resume work; or (b) terminate the work covered by this Order. If Buyer orders Contractor to resume work, Contractor shall be entitled to any equitable adjustment pursuant to Section 8 provided a claim for such an adjustment shall be submitted by Contractor within 30 days after the end of the period of work stoppage.
14. Payment. Payment date and cash discount period shall be calculated from the date of Buyer's receipt of an acceptable invoice and Buyer's acceptance of the products and supporting documentation at destination.
15. Information/Data. Unless otherwise agreed in writing any designs, drawings, specifications, or other manufacturing information furnished by Buyer to Contractor shall be confidential to Buyer and is furnished solely for the performance of this Order. All copies of such information shall be returned to Buyer upon completion of the Order. Any designs, drawings, specifications, or other manufacturing information delivered by Contractor to Buyer may be used for any purpose whatsoever. The foregoing shall apply notwithstanding the presence or absence of any contrary legend or statement on any of such information. All business and governmental information materials containing business and governmental information provided by Buyer to Contractor shall be treated as confidential.
16. Compliance with Laws and Regulations. Contractor warrants that all products, goods, or work delivered and performed shall comply with all applicable Federal, State or Local Laws or Regulations including without limitation The Occupational Safety and Health Act (29 USC. Chapter 15); Federal Hazardous Material Transportation Act (49 USC. Chapter 27); Equal Employment Opportunity; E.O. 11246 and 41 CFR Sections 60-1.4 and 60-1.7; Employment of the Handicapped E.O. 11758 and 41 CFR Section 60-741-4; Utilization of Minority Enterprises E.O. 11625 and 41 CFR Subpart 1-1.13; Age Discrimination E.O. 11141, Employment of Veterans E.O. 11701 and 41 CFR Section 50-250.4 and all rules, regulations and amendments issued pursuant to the foregoing.  
Contractor shall indemnify Buyer, its officers, employees and agents against any damages, penalties, costs or expenses incurred in connection with any alleged violation of any Federal, State or Local Law or regulating the manufacture or sale to the Buyer of any Item covered by this Order.

17. Patents, Copyrights, Trademarks. Contractor warrants that no products will be furnished hereunder, which infringe or contribute to the infringement of any letters patent, copyright or trademark. Contractor agrees to immediately replace at its sole cost any products furnished hereunder which infringe or contribute to the infringement of any letters patent, copyright or trademark or to take all steps necessary at Contractor's sole expense to remove such infringement.
- Contractor will indemnify and hold harmless Buyer, its representatives, officers, employees and agents from and against any and all costs, royalties, damages and/or expenses which may arise out of or result from, or be reasonably incurred in contesting any claims that the methods, processes or acts by the Contractor or its employees or the products furnished hereunder, infringes or contributes to the infringement of any letters, patent, copyright or trademark.
18. Waiver. The failure of Buyer to enforce at any time any of the provisions of this Order or to exercise any option herein provided, shall not be a present or future waiver of such provisions, nor in any way affect the validity of this Order or any part hereof, or the right thereafter to enforce each and every such provision. The express waiver (whether one (1) or more times) of any provision, condition or requirement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.
19. Independent Contractor. Contractor is an independent contractor and persons employed by Contractor shall be employees of Contractor and not employees of Buyer.
20. Complete Agreement. The Purchase Order and any referenced attachments constitute the complete agreement between the parties. Except as otherwise provided herein, it is subject to change only by an instrument signed in writing by both parties.
21. Acceptance by Performance. If Contractor fails provide to Buyer with a signed copy of this order, but delivers product or performs the services specified in this agreement, then Contractor agrees that the Contractor shall be deemed to have accepted the terms and conditions of this order, as provided on both the front and this reverse side of the order. Buyer must agree any changes or modifications to this order by Contractor to, in writing, or they shall not be deemed accepted by Buyer and if the Contractor delivers the products nonetheless, then the original terms and conditions of this order shall govern.
22. Mandatory Mediation and Binding Arbitration. If there is a dispute concerning any of the terms, conditions or the performance of this order, then it is hereby agreed by both Buyer and Contractor that the dispute shall be submitted first to non-binding mediation, to be performed by a sole mediator to be agreed upon between Buyer and Contractor. If a mediator cannot be agreed upon, then the parties agree that any Circuit Court judge for the State of Oregon, County of Clackamas, shall be authorized to appoint a mediator for the parties.
- Should the parties fail to reach an agreement through mediation, then the parties shall submit to binding arbitration, which shall be governed by the rules of the Arbitration Service of Portland, and shall be conducted within Clackamas County. The arbitration shall be conducted by a single arbitrator chosen by mutual agreement of the parties. If the parties are unable to agree on an arbitrator, the parties shall ask the Presiding Judge of the Circuit Court for Clackamas County to select the arbitrator. If the arbitrator determines that one party is the prevailing party, then the losing party shall be required to pay all fees and costs of the arbitration. On the other hand, if the arbitrator determines that neither party is to be considered the prevailing party, then the fees and costs of the arbitration shall be divided equally between the parties. The parties knowingly and voluntarily waive their rights to have their dispute tried and adjudicated by a judge or jury. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with the arbitrator's award, then the other party shall be entitled to costs, including reasonable attorney fees, for having to compel arbitration or defend or enforce the award. The parties agree to defend the arbitrator and any individual engaged in the administration of an arbitration proceeding from any subpoenas or claims from third parties arising out of this order or the arbitration.
23. Jurisdiction and Attorney Fees. This order shall be governed and construed according to the laws of the State of Oregon. If a dispute shall arise under this order necessitating the services of an attorney, then the prevailing party shall be entitled to collect from the losing party all of its/his/her reasonable costs and attorney fees, either in arbitration (if awarded by the arbitrator as provided above), or by a court before which any matter concerning this order may be heard, both at trial and on appeal.
24. Neutral Interpretation. This order constitutes the product of negotiations between the parties hereto. Any enforcement hereof will be interpreted in a neutral manner and not more strongly for or against any party based upon the source of draftsmanship.
25. Severability. Nothing contained herein shall be construed to require the commission of any act contrary to law, and wherever there is any conflict between the provisions contained herein and any present or future statute, law, ordinance or regulation contrary to which to the parties have no legal right to contract, the latter shall prevail. The provision of this Agreement, which is affected, shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law.
26. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or such holiday, then that period shall be extended to include the next day which is not a Saturday, Sunday or holiday.
- Notice. Any notice required or permitted to be given by either party to the other shall be deemed to have been given when sent via telecopy, overnight air courier, or deposited in the United States mail certified, return receipt requested, with first class postage prepaid, addressed as indicated on the front of this order, or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Notice shall also be considered effective upon delivery if personally delivered.
27. Conditions of Supplying a Public Agency. Where applicable, Contractor must make payment promptly as due to persons supplying Contractor labor or materials for the execution of the work provided by this order. Contractor must pay all contributions or amounts due from Contractor to the Industrial Accident Fund incurred in the performance of this order. Contractor shall not permit any lien

or claim to be filed or prosecuted against Buyer or any subdivision of Buyer on account of any labor or material to be furnished. Contractor further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

28. Payment of Claims by Public Officers. In the event that Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor of Contractor by any person in connection with the performance of this order when such claim becomes due, then the proper officer or officers representing the Buyer hereunder may pay such claim to the person furnishing the labor or services and charge the amount of the payment against the funds due or to become due to the Contractor by reason of this order. The payment of a claim in the manner authorized by this provision shall not relieve the Contractor or any of the Contractor's surety from obligations with respect to any unpaid claims.
29. Health Care Benefits for Contractor's Employees. If this order involves public service, then Contractor must provide health care benefits to all employees who are performing services previously performed by public employees performing similar duties under this order.
30. Hours of Labor. If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279C.540. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.
31. Medical Care and Workers' Compensation. Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury, to the employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of the employees pursuant to any law, contractor agreement for the purpose of providing or paying for such service.



**To:** Mayor and City Council

**Through:** Mike Swanson, City Manager  
Kenny Asher, Community Development/Public Works Director

**From:** Paul Shirey, Engineering Director  
Brenda Schleining, Associate Civil Engineer

**Subject:** Approval of an Intergovernmental Agreement (IGA) with Clackamas County for pedestrian improvements at railroad crossings on 37<sup>th</sup> Ave. and Oak Streets.

**Date:** August 1, 2006 for the August 15th meeting

### **Action Requested**

Authorize the City Manager to sign an IGA with Clackamas County for the Railroad Crossing Improvements Project (the Project), on 37<sup>th</sup> Avenue and Oak Street (see Appendix 1).

### **Background**

In 2005, the City applied for Community Development Block Grant (CDBG) funding with Clackamas County for several different projects, including pedestrian improvements at two railroad crossings.

The County approved \$75,000 towards the total cost of \$120,000 for the project with \$70,000 dedicated to the capital costs of the project and \$5,000 reserved for County staff overhead for project management. An additional amount of \$29,000 has been requested for this project through a project transfer<sup>1</sup>(see Appendix 2). This increases the total grant amount up to \$104,000. The IGA is for the original \$70,000 and the County will amend the Clackamas County Community Development Consolidated Plan

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<sup>1</sup>June 20, 2006 Kenny Asher requested redistributing \$140,000 CDBG funds held for the Johnson Creek Sewer LID Project. \$29,000 will transfer to the Railroad Project and \$116,000 will transfer to the Lewelling Street and Sidewalk Project (Logus Road).

and inform the local Housing Authority Office (HUD) of the proposed changes. This process will take several months and lead to an IGA amendment.

This project will install pedestrian improvements including sidewalk and curb at the railroad crossing on 37<sup>th</sup> Avenue and the railroad crossing on Oak Street. Currently there is a discontinuous sidewalk in these areas and no ADA access (see Appendix 3 for project map and description).

This project was part of a 2004 CDBG grant project. The project was 75% designed, but was not ultimately funded in 2004 due to higher than expected construction costs. The City will need to complete the design and then get ODOT and Union Pacific Railroad approval, prior to construction.

The current project schedule is as follows:

<u>Project Phase</u>	<u>Beginning Date (month, yr.)</u>	<u>Ending Date (month, yr.)</u>
Preliminary & Final Engineering	Sept. 2006	Oct. 2006
Railroad review & approval	Nov. 2006	Jan. 2007
Construction	March 2007	June 2007

### **Concurrence**

The City Attorney's Office has reviewed and approved the proposed Intergovernmental Agreement and supports signing. The Operations Department has reviewed and supports the project.

This project is listed in the approved Capital Improvement Plan (CIP) and in the System Development Charge (SDC) list. This project is also in the 2006/07 approved budget.

The Hector-Campbell NDA supports this project and has wanted to construct these pedestrian improvements for many years. The estimated project cost is \$120,000 for construction.

### **Fiscal Impact**

The estimated project cost is \$120,000. \$104,000 will come from the CDBG grant money. There is also a City match requirement of 20%, or \$24,000. The match is budgeted in the Transportation SDC fund 325. The current balance of the SDC fund 325 is \$542,575.

### **Work Load Impacts**

This project is part of the engineering work plan. Project Management will require about 120 hours from the Engineering Department, 40 hours from the Operations Department, and 10 hours from the Finance Department.

### **Alternatives**

None.

### **Attachments**

- Appendix 1: IGA with Clackamas County
- Appendix 2: Memo from Clackamas County
- Appendix 3: Project Description and map

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
CLACKAMAS COUNTY DEPARTMENT OF HUMAN RESOURCES  
COMMUNITY DEVELOPMENT DIVISION  
AND  
THE CITY OF MILWAUKIE**

**I. Purpose**

- A. This Agreement is entered into between Clackamas County, acting by and through its Community Development Division (COUNTY) and the City of Milwaukie (CITY) for the cooperation of units of local government under the authority of ORS 190.010.
- B. This Agreement provides for the design and construction of pedestrian improvements at the 37<sup>th</sup> Avenue and Oak Street railroad crossings in the City of Milwaukie. The railroad crossings have been found to be inadequate for pedestrians and constitute architectural barriers for some residents with disabilities. The railroad crossing lights create pinched shoulders, forcing foot traffic onto the street. The design and construction of these improvements are herein referred to as the PROJECT.

**II. Scope of Responsibilities**

- A. Under this agreement the responsibilities of the CITY shall be as follows:
1. At the request of the COUNTY, the CITY shall provide all necessary supervisory and administrative support to assist the COUNTY with the completion of the PROJECT.
  2. The CITY agrees to obtain necessary surveying, engineering design, and inspection services and act as agent of the COUNTY for purposes of preparing and/or acquire plans and specifications, obtaining bids and contracting for all construction work.
  3. To the extent necessary the CITY shall obtain any easements or approvals necessary to allow access onto private property. At the time of execution of this Agreement, it is believed that no access onto private property will be necessary; the CITY shall identify the boundaries of the Project area and the engineer and/or Contractor shall be required to advise the CITY of any need for access beyond the PROJECT area. Acquisition of any easement shall be obtained pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).

## INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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4. The CITY shall pay all systems development, plan review, and inspection fees and charges within its control.
  5. The CITY shall operate and maintain the improvements for public purposes for their useful life subject to the limitations on the appropriation and expenditure of funds by the CITY as provided by Oregon Statute.
- B. Under this agreement the responsibilities of the COUNTY will be as follows:
1. The COUNTY will receive written approval from the CITY prior to awarding any PROJECT contracts for design or construction, and any changes, modifications, or amendments as necessary to serve the public interest.
  2. In such contracts the COUNTY will assume the rights and responsibilities of the owner of the project.
  3. The COUNTY agrees to provide and administer available Community Development Block Grant (CDBG) funds granted by the U.S. Department of Housing and Urban Development (HUD) to finance the PROJECT.
  4. The COUNTY shall conduct necessary environmental reviews described in 570.604 of the CDBG regulations for compliance with requirements of the CDBG program.
  5. The COUNTY shall provide reasonable and necessary staff for administration of the PROJECT.
- C. The COUNTY and CITY agree to jointly review and approve all design, material selection, and contract documents for the PROJECT.

### III. Project Budget

- A. The COUNTY will apply CDBG funds in the amount of 80% of the total cost of the PROJECT up to a ~~maximum COUNTY contribution of \$70,000~~. The obligations of the COUNTY are expressly subject to the COUNTY receiving funds from HUD for the PROJECT, and in no event shall the COUNTY'S financial contribution exceed the amount finally granted, released and approved by HUD for this project.
- B. The CITY agrees to contribute the greater of:
1. Twenty percent (20%) of the total cost of the PROJECT, or
  2. All costs for design and construction which exceed available CDBG funds budgeted for the PROJECT.

## INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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- C. In the event the PROJECT can not be completed with available funds the COUNTY and CITY will jointly determine the priorities of the improvements to be made within funding limits.
- D. In the event a construction contractor is entitled to payments for work completed after \$70,000 in CDBG funds have been expended, the COUNTY shall request a transfer of funds from the CITY for the amount necessary to make such payments.
- E. The CITY shall transfer all requested funds to the Community Development Division within fourteen (14) working days of the invoice by the COUNTY. All checks shall be made payable to Clackamas County and mailed to the following address:

Attn: Toni Hessevick  
Clackamas County - Finance Office  
2051 Kaen Road  
Oregon City, OR 97045

### **IV. Liaison Responsibility**

Brenda Schleining will act as liaison from the CITY for the PROJECT. Steve Kelly will act as liaison from the COUNTY.

### **V. Special Requirements**

- A. The COUNTY and CITY agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. Public Contracting Requirements. To the extent applicable, the provisions of ORS 279B.220, 279B.225, 279B.230, and 279B.235 are incorporated by this reference as though fully set forth.
- C. Relationship of Parties. Each party is an independent contractor with regard to the other party. Neither party is an agent or employee of the other. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- D. Indemnification. Subject to the limits of the Oregon Tort Claims Act, each of the parties agrees to hold harmless and indemnify the others, and their elected and appointed officials, agents, and employees, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising on account of personal injuries, death or damage to property caused by or resulting from their own acts or omissions or those of their officials, agents and employees provided however, upon completion of the improvements,

## INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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the CITY will assume all responsibility for claims made thereafter against the COUNTY or its officers, agents or employees pertaining to the design and construction of the Project, and will indemnify and defend them therefore.

- E. Each party shall give the other immediate written notice of any action or suit filed or any claim made against the party which may result in litigation in any way related to this Agreement.
- F. Record and Fiscal Control System. All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible. Such records and documents shall be retained for a period of three (3) years after receipt of final payment under this Agreement; provided that any records and documents that are the subject of audit findings shall be retained for a longer time until such audit findings are resolved.
- G. Access to Records. The COUNTY, the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the CITY which are directly pertinent to the Agreement for the purpose of making audit, examination, excerpts, and transcripts.
- H. Debt Limitation. This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent. Obligations of the COUNTY are also expressly subject to the COUNTY receiving funds from HUD for this project and in no event shall the COUNTY's financial contribution exceed the amount finally granted, released and approved by HUD for this project.
- I. Conflict of Interest. No officer, employee, or agent of the CITY or COUNTY who exercises any functions or responsibilities in connection with the planning and carrying out of the Block Grant Program, or any other person who exercises any functions or responsibilities in connection with the program, shall have any personal financial interest, direct or indirect, in the use of the funds provided pursuant to this Agreement, and the Parties shall take appropriate steps to assure compliance. The Parties will insure that no contractor, subcontractor, contractor's employee or subcontractor's employee has or acquires any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services.
- J. Insurance. The CITY will bear the risk of loss from fire, extended coverage, and will purchase and maintain property insurance on all affected CITY property. The CITY will bear the risk of loss from accidents coverable by owner's liability insurance and may, at its option, maintain such insurance. If applicable, COMMISSION shall be required to maintain flood insurance. Each party agrees

## INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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to maintain insurance, or self-insurance, in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.270.

- K. **Nondiscrimination.** The CITY and the COUNTY agree to comply with all Federal, State, and local laws prohibiting discrimination on the basis of age, sex, marital status, race, creed, color, national origin, familial status, or the presence of any mental or physical handicap. These requirements are specified in ORS chapter 659; Section 109 of the Housing and Community Development Act of 1974; Civil Rights Act of 1964, Title VII; Fair Housing Amendments Act of 1988; Executive Order 11063; Executive Order 11246; and Section 3 of the Housing and Urban Development Act of 1968; all as amended; and the regulations promulgated thereunder.
- L. **Handicapped Accessibility.** The CITY agrees that all improvements made under this Agreement shall comply with standards set for facility accessibility by handicapped persons required by the Architectural Barriers Act of 1968, as amended. Design standards for compliance are contained in 24 CFR 8.31-32 and the document entitled Uniform Federal Accessibility Standards published by HUD in April, 1988 as a joint effort with other Federal agencies.
- M. **Nonsubstituting for Local Funding.** The CDBG funding made available under this Agreement shall not be utilized by the CITY to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of funds under this Agreement.
- N. **Evaluation.** The CITY agrees to participate with the COUNTY in any evaluation project or performance report, as designed by the COUNTY or the appropriate Federal department, and to make available all information required by any such evaluation process.
- O. **Audits and Inspections.** The CITY will ensure that the COUNTY, the Secretary of HUD, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to all books, accounts, records, reports, files, and other papers or property pertaining to the funds provided under this agreement for the purpose of making surveys, audits, examinations, excerpts, and transcripts.
- P. **Acquisition.** If completion of the project requires acquisition of any real property the parties agree to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.

INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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**VI. Amendment**

This Agreement may be amended at any time with the concurrence of both Parties. Amendments become a part of this Agreement only after the written amendment has been signed by both Parties.

**VII. Term of Agreement**

- A. This Agreement becomes effective when it is signed by both Parties.
- B. The Community Development Block Grant (CDBG) will close-out ten (10) years from completion of the PROJECT.
- C. The term of this Agreement is a period beginning when it becomes effective and ending five (5) years after CDBG close-out.
- D. This Agreement may be suspended or terminated prior to the expiration of its term by:
  - 1. Written notice provided to the COUNTY from the CITY before any materials or services for improvements are procured, or;
  - 2. Written notice provided by the COUNTY in accordance with 24 CFR 85.43, included as Attachment A, resulting from material failure by the CITY to comply with any term of this Agreement, or;
  - 3. Mutual agreement by the COUNTY and CITY in accordance with 24 CFR 85.44.
- D. Upon completion of improvements or upon termination of this Agreement, any unexpended balances of CDBG funds shall remain with the COUNTY.

INTERGOVERNMENTAL AGREEMENT

Clackamas County and the City of Milwaukie for Ardenwald Phase II

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**CITY OF MILWAUKIE**

**CLACKAMAS COUNTY**

Chair: Bill Kennemer  
Vice Chair: Larry Sowa  
Commissioner: Martha Schrader

Signing on Behalf of the Board.

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Mike Swanson,  
City Manager

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Gary DiCenzo, Director  
Department of Human Services

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Date

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Date

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# ATTACHMENT A

## Excerpt from 24 CFR Part 85

### §85.43 Enforcement.

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after

termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) *Relationship to Debarment and Suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see §85.35).

### §85.44 Termination for convenience.

Except as provided in §85.43 awards may be terminated in whole or in part only as follows:

(a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

(b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §85.43 or paragraph (a) of this section.

## MEMORANDUM

DATE: July 31, 2006

FROM: **Steve Kelly**, Clackamas County-Community Development  
Ph.: 503-650-5665

TO: **Brenda Schleining**, City of Milwaukie – Community Development Dept.  
Ph.: 503-786-7602

CC: **CD Project File**

RE: **Proposed Additional CDBG Funds for Ardenwald Phase II**

On May 25, 2006 Kenneth Asher of the City of Milwaukie met with Chuck Robbins (Acting CD Director) and me to discuss future CDBG funding for Milwaukie Projects. Kenneth thought that the Johnson Creek Sewer LID Project should be removed from our list. The project maybe rescheduled to a few years in the future. Therefore, on June 20, 2006 CD received a letter from Kenneth requesting that we redistribute the \$140,000 CDBG funds held for the Johnson Creek Project to the following projects in the following amounts:

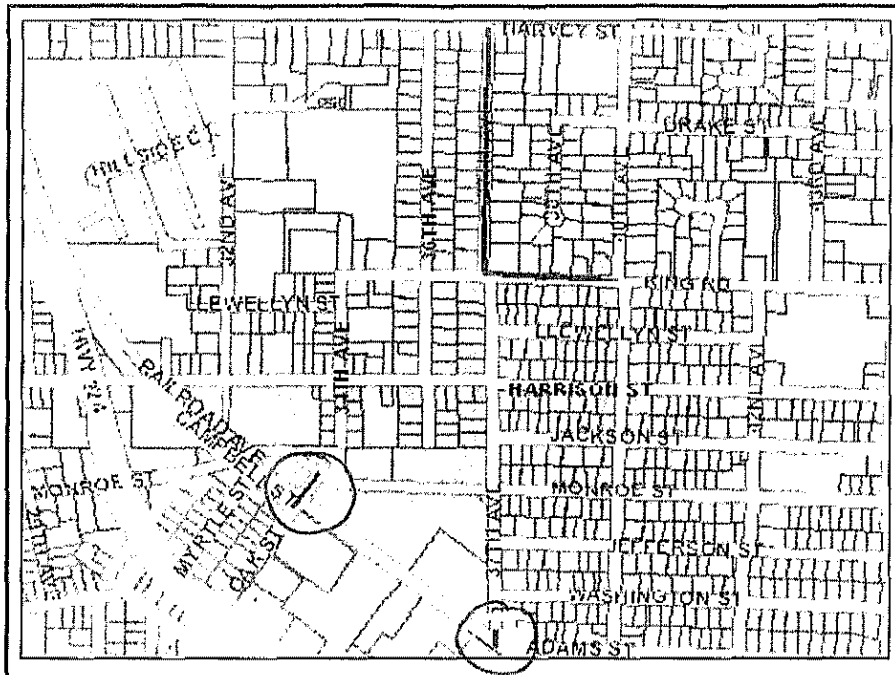
<u>2006 Project:</u>	<u>Old Amt.(s):</u>	<u>Added Amt.(s):</u>
1.) Ardenwald Phase II	\$75,000	\$29,000
- Minus CD Project Mgmt. Time:	- \$ 5,000	N/A *
Totals:	\$70,000	\$29,000

Note: The actual total is \$99,000.

<u>2007 Project:</u>	<u>Old Amt.(s):</u>	<u>Added Amt(s):</u>
2.) Llewelling Street & Sidewalk	N/A	\$116,000
- Minus CD Project Mgmt. Time:	N/A	- \$ 7,000
Totals		\$109,000

Chuck Robbins will have to amend the Clackamas County-Community Development Consolidated Plan and inform the local HUD Office of the proposed changes. He will need to explain the changes of projects as well as amounts for specific City of Milwaukie CDBG funding for 2006-08. This process will take a few months. If you have any questions call me.

# City of Milwaukie Capital Improvement Plan



## CDBG – King Rd/37th Ave/Oak St/Railroad Ave Streets/Stormwater/Water Improvements Phase II

	Fiscal Years						
	06/07	07/08	08/09	09/10	10/11	Total	
<b>Capital Cost:</b>							
Construction	225,000					225,000	
Contingency	45,000					45,000	
Construction Engineering/Mgmt			370,000			370,000	
<b>Total Estimated Capital Cost</b>	<b>270,000*</b>		<b>370,000*</b>			<b>640,000</b>	
<b>Revenue Source:</b>							
Streets/State Gas Tax Fund	21,120		20,000			41,120	
Transportation SDC Fund	23,880 ←					23,880	
CDBG Grant (County Funds)	75,000 ←		200,000			275,000	
Water Capital & Reserve Fund	84,000					84,000	
Water SDC Fund	66,000					66,000	
Stormwater Cap & Res Fund			150,000			150,000	
<b>Total Estimated Revenue</b>	<b>270,000</b>		<b>370,000</b>			<b>640,000</b>	
<b>Description:</b>	<p><b>WATER (06/07):</b> Replace 1,200' of 4" waterline with 8" waterline on 37<sup>th</sup> Ave. from King Rd. to Harvey St.</p> <p><b>STREETS (06/07):</b> Pedestrian improvements on west side of 37<sup>th</sup> Ave. at railroad crossing and curb/sidewalk on both sides of Oak St. (Campbell St. to Railroad Ave.).</p> <p><b>STREETS (08/09):</b> Sidewalk and curb for 37<sup>th</sup> and King. Continuation of previous project. (Unfunded.)</p> <p><b>STORMWATER (08/09):</b> Drywells #24015 and 24011 to be decommissioned &amp; runoff connected to storm system via 380' of 12" storm drain south on 37<sup>th</sup> Ave. and 475' of 12" storm drain east on King Rd.</p>						
<b>Prepared By:</b>	Brenda Schleining		<b>Date:</b>	March 24, 2006		<b>Project No:</b>	0087-2
<b>Fund:</b>	320	<b>Dept:</b>	631	<b>Object:</b>	7500	<b>Subobj:</b>	0247

\*\$120,000 Streets + \$150,000 Water = \$270,000.

\$220,000 Streets + \$150,000 Storm = \$370,000





To: Mayor and City Council

Through: Mike Swanson, City Manager

From: JoAnn Herrigel, Community Services Director

Subject: Residential Garbage Rate Increase

Date: August 4, 2006

### **Action Requested**

Approve a resolution increasing residential garbage rates by \$1.16 per can per month, effective September 1, 2006.

### **Background**

The City receives financial reports from the seven franchised garbage haulers annually. These reports contain information regarding the expenses and revenues of each garbage hauler for the previous year. The information submitted by the individual haulers is then consolidated to create a composite 'company'. Costs are adjusted to eliminate those costs allowed for tax purposes but not allowed for determining collection rates. This composite is used to analyze the financial health of the entire system (see composite for 2005 - attachment #1.)

According to the City's newly adopted solid waste code language, there are two criteria that the City needs to consider when reviewing the health of the solid waste system. First, rates are, to the greatest extent possible, to be based on the cost of service. And second, rates should be adequate to provide an expected operating margin, or rate of return to the haulers, of 10%. Generally, a return within the range of 8% to 12% is adequate.

The consolidated rate of return for 2005 was 6.99%. This rate reflects a combination of the rates of return for all three service sectors: residential, commercial and drop box customers. When the three sectors were reviewed separately, the sector in which the rate of return was the lowest was drop box service at 1.28%. The consolidated return for 2005 for residential service was

7.74%. For the commercial sector, the rate of return was within the 8 to 10% range for 2005, at 9.26%.

In addition to evaluating the 2005 rate of return, the City receives data on the projected rate of return for 2006, calculated and agreed upon by an independent financial advisor, contracted by Clackamas County, and the financial consultant for the garbage haulers. The projected consolidated rate of return for 2006, at our existing rate levels, is 5.18%. This projection is based on anticipated changes in the cost of doing business. The costs that are expected to have the most significant upward pressure on the rates in 2006-07 include fuel, employee medical insurance, wages and yard debris disposal

In light of the low rate of return for 2005 and the even lower 2006 projection, staff met with the garbage haulers' representative, Dave White and the haulers' financial consultant, Joe Cook, to discuss various rate change options. Options considered included increasing rates for all sectors, increasing rates for commercial customers only and increasing rates for residential customers only (for all or only some service levels.)

Staff and the haulers' representatives agreed upon a proposed increase to the residential rate. The proposal would levy a rate increase on residential customers for all service levels, resulting in a per-can increase of \$1.16 per month and a \$0.27 per month increase for on-call and monthly customers.

Staff has not concluded discussions with the haulers regarding the best way to address the low rate of return for drop box services. The haulers have agreed to meet with staff during the remaining weeks of August to identify an equitable proposal. In an attempt to provide some immediate relief to the haulers staff has issued a letter clarifying that the City's 5% franchise should not be applied to disposal cost revenue. This action did not require Council approval, as it is written in the municipal code.

See attachment #2 for a comparison of existing and proposed rates.

**Concurrence**

The Community Services Director and the franchised garbage haulers support this proposal.

**Fiscal Impact**

A small increase in garbage franchise fees may result from the increase in residential rates.

**Work Load Impacts**

No additional work should be required in implementing the new rates.

**Alternatives**

Withhold approval of the proposed rate changes and direct staff to develop an alternative method for increasing the current and projected rate of returns.

**Resolution No. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE  
RESCINDING RESOLUTION # 26-2004 AND ADOPTING NEW RATES FOR  
GARBAGE SERVICE IN THE CITY, EFFECTIVE SEPTEMBER 1, 2006.**

**WHEREAS**, Section 13.24.160 of Milwaukie Municipal Code provides that the City Council may set rates and implement rate changes, and

**WHEREAS**, there has not been an increase in garbage service rates in the City since 2004, and

**WHEREAS**, the franchised haulers have reported rates of return for 2005 for residential services that are lower than the acceptable range of 8% to 12% and projections for 2006 are lower yet, and

**WHEREAS**, the proposed rates are comparable to local jurisdictions in the Metro area,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON** that residential garbage rates shall be increased by \$1.16 per can per month and \$0.27 for on call and monthly customers.

This resolution is effective September 1, 2006.

Introduced and adopted by the City Council on \_\_\_\_\_, 2006.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED TO FORM:  
Ramis, Crew & Corrigan

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

**City of Milwaukie**  
**Proposed Rates for 2006-2007**

**Revenue Increase on Can/Cart Service Only**

<b>Can/Cart Service</b>	<b>2005-06 Rate</b>	<b>Collection Increase</b>	<b>Proposed Rate</b>	<b>% Change</b>
1-32 gal	\$ 20.46	\$ 1.16	\$ 21.62	5.7%
2-32 gal	38.14	2.32	40.46	6.1%
3-32 gal	55.82	3.48	59.30	6.2%
20 gal	16.86	1.16	18.02	6.9%
35 gal	20.46	1.16	21.62	5.7%
60 gal	27.65	1.16	28.81	4.2%
90 gal	30.73	1.16	31.89	3.8%
On call customers	7.97	0.27	8.24	3.4%
Monthly	7.97	0.27	8.24	3.4%
Court Apartments	17.68	1.16	18.84	6.6%
32 gal can Commercial	20.46	1.16	21.62	5.7%
2-32 gal can Commercial	40.91	1.16	42.07	2.8%
60 gal cart Commercial	27.65	1.16	28.81	4.2%
90 gal cart Commercial	30.73	1.16	31.89	3.8%
Extra Pickups (Weekly)	6.17	-	6.17	0.0%
Recycling Only Customers	3.34	1.16	4.50	34.8%
Yard Debris Only Customers	3.70	1.16	4.86	31.4%

**Container Service**

Service increase (per yard)	\$ -			
1.5 yard serviced weekly	\$ 106.01		106.01	0.0%
1.5 yard serviced twice a week	204.07		204.07	0.0%
1.5 yard serviced three times /week	302.13		302.13	0.0%
2.0 yard serviced weekly	132.47	-	132.47	0.0%
2.0 yard serviced twice a week	256.99	-	256.99	0.0%
2.0 yard serviced three times /week	381.51	-	381.51	0.0%

**CITY OF MILWAUKIE**  
**Consolidated Summary of Detail Cost Reports Data**  
**2005**

**2005**

	Consolidated	%
<b>MILWAUKIE GROSS REVENUE</b>	<b>3,357,077</b>	<b>100.00%</b>
Revenue From Rates	3,265,361	97.27%
Rate Adjustment Required		
Revenue from mark up of disposal on Drop Box		
Revenue from Recyclable Materials	91,716	2.81%
<b>MILWAUKIE EXPENSES</b>		
<b>Employee Related:</b>	<b>1,026,887</b>	<b>30.59%</b>
Direct Cost of Operations	815,949	24.31%
General & Administrative	210,938	6.28%
<b>Vehicle &amp; Equipment Related:</b>	<b>503,539</b>	<b>15.00%</b>
Fuel	112,063	3.34%
Repair & Maintenance	152,293	4.54%
Depreciation	114,787	3.42%
Recycling Bins	2,423	0.07%
Supplies	7,539	0.22%
Insurance	50,790	1.51%
Rentals	31,753	0.95%
PUC/Licenses/Fees	18,828	0.56%
Interest	13,063	0.39%
<b>Disposal Fees</b>	<b>1,187,580</b>	<b>35.38%</b>
<b>Franchise &amp; Comm. Fees</b>	<b>166,665</b>	<b>4.96%</b>
<b>Dispatch Service/Subcontracts</b>	<b>-</b>	<b>0.00%</b>
<b>Training &amp; Worker Safety</b>	<b>5,709</b>	<b>0.17%</b>
<b>Other</b>	<b>8,358</b>	<b>0.25%</b>
<b>Office:</b>	<b>44,888</b>	<b>1.34%</b>
Office Rent	24,010	0.72%
Depreciation-Bldg & Equipment	2,085	0.06%
Repair/Maintenance-Office	7,479	0.22%
Cleaning	1,261	0.04%
Office Supplies	3,961	0.12%
Equipment Rental	448	0.01%

**CITY OF MILWAUKIE**  
**Consolidated Summary of Detail Cost Reports Data**  
**2005**

**2005**

	Consolidated	%
Postage & Freight	5,644	0.17%
<b>Advertising &amp; Public Education</b>	<b>2,295</b>	<b>0.07%</b>
<b>Contributions</b>	<b>933</b>	<b>0.03%</b>
<b>Professional Fees</b>	<b>11,050</b>	<b>0.33%</b>
<b>Insurance</b>	<b>5,546</b>	<b>0.17%</b>
<b>Telephone</b>	<b>13,530</b>	<b>0.40%</b>
<b>Utilities</b>	<b>3,719</b>	<b>0.11%</b>
<b>Property Taxes/ Licenses/ Fees</b>	<b>11,763</b>	<b>0.35%</b>
<b>Dues &amp; Subscriptions</b>	<b>6,357</b>	<b>0.19%</b>
<b>Travel, Meals &amp; Lodging</b>	<b>3,399</b>	<b>0.10%</b>
<b>Professional Meetings &amp; Seminars</b>	<b>1,315</b>	<b>0.04%</b>
<b>Bad Debts</b>	<b>9,926</b>	<b>0.30%</b>
<b>Corporate Overhead</b>	<b>71,019</b>	<b>2.12%</b>
<b>Yard Debris</b>	<b>53,510</b>	<b>1.59%</b>
<b>Interest</b>	<b>120</b>	<b>0.00%</b>
<b>Miscellaneous</b>	<b>6,739</b>	<b>0.20%</b>
<b>TOTAL EXPENSES</b>	<b>3,144,847</b>	<b>93.43%</b>
<b>ADJ. TO EXPENSES</b>	<b>(10,672)</b>	<b>-0.32%</b>
<b>OTHER - PER CLACKAMAS CO.</b>	<b>-</b>	
<b>ALLOWABLE EXPENSES</b>	<b>3,134,175</b>	<b>93.36%</b>
<b>NET BEFORE TAXES</b>	<b>222,902</b>	<b>6.64%</b>
<b>RETURN ON REVENUE</b>	<b>6.99%</b>	<b>6.99%</b>



**TO: Mayor and City Council**  
**FROM: Mike Swanson, City Manager**  
**DATE: July 31, 2006**  
**RE: Council Approval of Motion Continuing Consideration of  
Amendment to Milwaukie Municipal Code (MMC) Sections  
19.321.7 and 19.321.3**

### **ACTION REQUESTED**

The action requested is Council approval of a motion to continue consideration of a Planning Commission recommendation to amend MMC Sections 19.321.7 and 19.321.3 to October 17, 2006.

### **BACKGROUND**

At your June 20, 2006 meeting you considered recommendations from the Planning Commission to amend MMC Section 19.321, Milwaukie Comprehensive Plan Chapter 4-Recreational Needs Element and Chapter 5-Transportation/Public Facilities/Energy Conservation, Public Facilities and Services Element, and MMC Sections 19.321.7 and 19.321.3. (See attached staff memo to Council from Katie Mangle, Planning Director.) The first of the proposed Code amendments changed the name of the Community Service Overlay to Community Service Use and clarified the approval procedures and standards. The Comprehensive Plan amendments clearly stated the City's policy that reasonable efforts be made to decommission the Kellogg Creek Wastewater Treatment Plant (Plant). The second of the proposed Code amendments made the Plant a nonconforming use and established a deadline for its removal. All of the amendments had been recommended by the Planning Commission at its May 23, 2006 meeting.

At your June 20, 2006 meeting I recommended that you adopt the Code amendments regarding the Community Service Overlay as well as the Comprehensive Plan amendments. I further recommended that you continue consideration of the amendments to MMC Sections 19.321.7 and 19.321.3 to a date certain in order to facilitate the continued process of the Clackamas Service District No. 1 (CCSD1) Citizen Advisory Council (CAC). The CAC was appointed by the Clackamas County Board of County Commissioners to develop a

wastewater strategic plan for CCSD1. The Council took the action I recommended with the adoption of Ordinance No. 1962 (Copy attached), and a motion was made and adopted to continue consideration of the two Code sections until August 15, 2006.

I am recommending that you again continue consideration of the proposed amendments to MMC Sections 19.321.7 and 19.321.3, and that you set a date certain of October 17, 2006 for further action on these amendments. The CAC continues to work toward making a recommendation to the Board of County Commissioners by September 30, 2006, and we have been working with them toward that goal. The active pursuit of this Code change at this time would not facilitate the development of a solution within the CAC process, and, therefore, I am recommending this delay. If, from the City's perspective, things break down, we can revisit this issue in October. For now, it is important that we participate and not create insurmountable roadblocks as the process moves forward.

CCSD did appeal the City's decision on the Comprehensive Plan amendments to LUBA in order to preserve their right to argue goal compliance. The LUBA appeal is on hold until October by mutual agreement to see if the matter can be resolved without having to go through the LUBA process.

The Council may follow the process used the last time this was considered and consider a motion to continue consideration of the recommendation of the Planning Commission to amend MMC Sections 19.321.7 and 19.321.3 to its regular meeting on October 17, 2006.



**To: Mayor and City Council**

**Through: Mike Swanson, City Manager and  
Kenny Asher, Community Development & Public Works Director**

**From: Alex Campbell, Resource and Economic Development Specialist**

**Subject: PCC Structurals Enterprise Zone Application**

**Date: August 1 for August 15, 2006**

### **Action Requested**

Approve an Enterprise Zone Application by PCC Structurals, Inc.

### **Background**

Clackamas County, the City of Milwaukie, and the City of Portland are joint sponsors of the Milwaukie/North Clackamas Enterprise Zone, which was established in 1997 and expanded in 2005. The Enterprise Zone offers a three- or five-year property tax exemption on new investments to qualified industrial businesses in the zone. Abatements are available to new or existing industrial businesses willing to invest in facilities and equipment, hire more employees, and pay better than minimum wages.

PCC (Precision Castparts Corporation) Structurals, Inc., has applied for a 5-year tax abatement on a series of new investments in the Milwaukie/North Clackamas County Enterprise Zone. PCC Structurals, Inc., is one of Clackamas County's largest manufacturing employers and produces steel and titanium components for aerospace, energy and commercial applications. The company plans to invest over \$25 million in manufacturing equipment, machinery, and improvements to buildings. The investments will be made at several locations, including the "Large Parts" campus at the intersection of Harney Road and Johnson Creek Boulevard, the facility that straddles the Portland/Milwaukie line. The bulk of investment will be in equipment at PCC's recently-leased space at Commerce Park McLoughlin in the North Milwaukie Industrial Area.

PCC has met with the Clackamas Business and Economic Development Team, the Assessors office, the City of Milwaukie, and Oregon Employment Department representatives. The company has submitted a “first source hiring agreement,” a request for authorization of an extended abatement, provided documentation for the planned investments, and paid the application fee.

PCC’s Enterprise Zone application included the following elements:

- The firm will invest \$25,138,906 in equipment and facility improvements.
- PCC Structurals, Inc., expects to hire 400 employees as part of this expansion. The company expects to attain this increased employment level over the course of 4 years.
- The jobs created by this investment will be paid an average wage of \$54,846 per year or more. (The company may use benefits to attain this compensation level.)

The first three years of abatement are granted “by right” if the company demonstrates eligibility. The requirements are: to increase employment by 10% within one year and maintain that level; to sign a “first source hiring agreement” (a commitment to consider local job applicants); to pay new employees at least 150% of minimum wage; and to invest a minimum of \$25,000 in an industrial-type business. Investments of \$25 million or more are eligible for a waiver of the 10% employment increase requirement. PCC has requested such a waiver. The firm expects a substantial employment increase over the life of the investment, but cannot commit to the 10% increase within the first year of the investment because: (1) the company’s baseline employment is quite high (almost 2,000 in the area); (2) the exact growth in employment is difficult to predict due to uncertainties in worker productivity; and (3) the investment will be staged because of its large size. A resolution of the City Council is necessary to provide such a waiver.

The five-year abatement requires a higher level of employee compensation (an average of 150% of the County median wage) and the joint approval by the enterprise zone sponsors. Milwaukie’s practice has been that the City Manager approve five-year abatement requests. Firms are required to provide documentation that the required wage levels have been met prior to receiving the additional years of abatement. PCC has agreed to this condition.

### **Concurrence**

The company has met with representatives from Clackamas County Business and Economic Development, the City of Milwaukie, the Clackamas County Assessors office, and Oregon Employment Department to discuss this project. All parties are in agreement that the company meets all of the requirements to receive the 5-year extended abatement, provided that the zone sponsors agree to provide the employment level waiver.

### **Fiscal Impact**

Enterprise Zone abatements delay the tax benefits to the City of new investment. However, the City chose to sponsor the establishment of the Enterprise Zone in the belief that total investment in the area would be increased, resulting in a net positive impact on City property tax revenues. PCC is an international company with the ability to make this investment in a variety of locations. The availability of the EZ tax abatement was a factor in their financial calculations as they selected Milwaukie as the location for this round of investment.

### **Work Load Impacts**

None.

### **Alternatives**

It is within the City's discretion to approve the waiver of the 10% requirement for the three-year abatement, but not approve the five-year abatement. Staff recommends approval of the five-year abatement because PCC has agreed to meet the higher wage target.

### **Attachments**

Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SUPPORTING AN ENTERPRISE ZONE APPLICATION BY PCC STRUCTURALS, INC., WAIVING THE STATUTORY REQUIREMENT TO INCREASE EMPLOYMENT BY 10 PERCENT.**

**WHEREAS**, PCC Structurals, Inc., intends to invest an estimated \$25.1 million in capital improvements at several plant locations in Milwaukie, Portland, and Clackamas County, Oregon, starting in 2007; and

**WHEREAS**, the PCC Structurals, Inc., plants are located within the Milwaukie/North Clackamas County Enterprise Zone, which is sponsored by Clackamas County, the City of Milwaukie and the City of Portland; and

**WHEREAS**, PCC Structurals, Inc., has applied for authorization in the Enterprise Zone for the aforementioned investment; and

**WHEREAS**, PCC Structurals, Inc., will qualify for a 5-year abatement by meeting the target level of average employee compensation; and

**WHEREAS**, according to ORS 285C.155 and 285C.200(2) the enterprise zone sponsor may provide by resolution for authorization of an eligible business firm, such that it may qualify for the exemption on qualified property in the zone without increasing zone employment as normally required, if the firm's total new investment in qualified property is \$25 million or more, and it maintains a minimum number of full-time employees in the zone (as established by the zone sponsor), and it satisfies other reasonable requirements as the zone sponsor also may establish; and

**WHEREAS**, PCC Structurals, Inc., has 1,940 full-time employees throughout the Milwaukie/North Clackamas County Enterprise Zone as averaged over the past 12 months,

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Milwaukie, Oregon:

Endorses the approval of a 5-year Enterprise Zone tax exemption for the new investments detailed by PCC Structurals, Inc., in their recent application and waives the statutory requirement to increase employment by 10 percent.

Introduced and adopted by the City Council on August 15, 2006.

This resolution is effective on August 16, 2006.

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James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, & Corrigan, LLP

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Pat DuVal, City Recorder

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City Attorney

Present:

Susanna Pai, Chair – Lake Road Neighborhood Association  
Larry Kanzler, Chief of Police  
Ray Bryan – Historic Milwaukie Neighborhood Association  
Gene Covey – Lewellyn Neighborhood Association  
Dolly Macken-Hambright – Linwood Neighborhood Association  
Cheryl Ausmann-Moreno – Ardenwald Neighborhood Association  
Mary Weaver – Campbell Neighborhood Association  
Bonnie Mishler – Island Station Neighborhood Association

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The meeting was called to order at 6:15 p.m.

Dolly – we have \$59 in the treasury.

Dolly said that all the spots in the Citizen's Academy are full at this time. The Chief added that we were able to get Special Agent in Charge of the FBI in Oregon, Robert Jordan, to be a guest speaker.

Dolly said that Landlord training is in October.

The Chief talked briefly about the Crime Stoppers program. Our representative is Det. Sgt. David Rash.

Dolly – Alex Campbell, from the City, is writing a grant to improve 17<sup>th</sup> Avenue, including the area in front of the Pioneer Cemetery. They would like some parking spaces designated near the entrance for visitors. They are asking for the support of the PSAC. Ray made a motion to support the idea. Cheryl seconded the motion. Passed unanimously. Dolly will draft a letter.

The problems stemming from the rental property at the old Beauty School at King and Linwood have been resolved. The owners apologized and the tenants have moved out.

There was a discussion regarding toy pistols or pistol lighters being sold and carried and the danger involved. Cheryl shared her concerns about several neighborhood markets selling drug paraphernalia, weapons, etc. She and her neighborhood association will send a letter to the markets and explain their concerns.

The next meeting will be held at Ardenwald Park. A concert will follow.

There was a discussion on graffiti. It needs to be photographed to keep on file with the PD. Cheryl asked about making up a brochure with information/reporting to hand out at National Night Out.

Dolly made a motion to have a planning committee for next year's Law Enforcement Appreciation Dinner. Susanna and Cheryl volunteered. Cheryl will contact Out Back Steakhouse to ask for their support.

Chief said that we will be getting our two motorcycles in service next week. BMW paid for the repairs. Our new motorcycle officer, Rick Olsen, is a retired PPB officer. We just hired Les Hall – who was formerly the Code Enforcement officer in Milwaukie.

Chief said that the overtime has decreased by 47% since the change in shifts.

Chief had a meeting with Sheriff Roberts last week. They are going to ask for a levy to support the jails. Clackamas County releases more inmates more than any other jail in the state. He explained the Public Service District idea for funding.

The meeting was adjourned at 7:35 p.m.

Next meeting is scheduled for August 24th.