

**Questions and Answers on
Request for Proposal (RFP) # 123-1020-18
"Long-Term Consulting Services for the Oregon Growth Account
On Behalf of the Oregon Growth Board"**

1. If the RFP is to rehire or replace your current investment consultant, what prompted the search? Is the incumbent consulting firm allowed or encouraged to rebid?

The contract with the incumbent firm is ending, which has been renewed several times across close to a decade. It is our practice at Business Oregon to periodically review our existing contracts. The incumbent firm is allowed to rebid, but has informed us they will not.

2. How long has the incumbent consultant been with your plan?

1998

3. What is the annual fee being paid to the current consultant(s)?

In section 1.1 and section 3.2.5, OBDD has tried to describe the scope of the activity the investment consultant is likely to provide. We would like proposers to compete and describe the basis and extent of the fees they propose to charge. OBDD will negotiate those fees with the selected provider.

4. Please provide a copy of your 2018 meeting schedule. How many meetings per year will the consultant be expected to attend?

Current meeting schedule can be found: <http://www.oregongrowthboard.com/Meetings/>

Consultant is expected to be able to attend all meetings at which quarterly reports or investment decisions relating to the Oregon Growth Account are discussed.

5. How many "as needed" reports as described in 2.4 Scope of Work / Proposed Tasks do you anticipate would be required per year?

Few. This has happened maybe every other year.

6. Are there any specific areas of strength you will be looking for in a potential consulting partner?

Those highlighted in the RFP. The ability to understand the complex goals of the Oregon Growth Board (generating returns while building up Oregon's capital ecosystem) is important. The ability to generate deal flow of investment opportunities that strategically meet the goals of the OGB is important. The ability to work through downturns in the economy with investment partners going through crisis is critical.

7. What is the expected growth of the program over the next 5 years in terms of total plan assets?

The OGB will continue to invest between 15 and 25 million \$ annually.

8. Page 9, Section 3.2.2 paragraph one requests that proposers "Describe how the team incorporates diversity and equity into its organization..." Can you please confirm that this sentence should state equity rather than equality?

We are using the word "equity" in its meaning as "freedom from bias or favoritism", which brings it close to the word "equality". Diversity, equity, and inclusion are important goals of Business Oregon and the Oregon Growth Board. The OGB is looking for responses about team makeup, commitment to DEI, how DEI enters into decision making, and how your advisory services generate diverse pipelines of potential investments.

9. Can you show us an example of an economic development report generated by the previous investment advisor?

Yes, see below:

OGA/OGB - 2016 Economic Development Summary

Information Derived from December 31, 2016 Annual Reports and Manager Survey ¹

INVESTMENT: ²

| | | | | |
|--|---------------|-----------------|----------------|---------------|
| Total Capital Raised by OGA/OGB Funds: | | \$2,114,179,286 | | |
| Total OGA/OGB Commitments: | | \$149,250,171 | | |
| Portfolio Company at Cost: | <u>Total:</u> | \$1,324,283,549 | <u>Oregon:</u> | \$253,626,101 |
| Portfolio Company at FMV: | <u>Total:</u> | \$1,244,473,796 | <u>Oregon:</u> | \$249,162,251 |
| Realized Gains/Losses: | <u>Total:</u> | \$301,118,067 | <u>Oregon:</u> | \$197,611,440 |

OPERATIONS: ³

| | | | | |
|--|------------------------|-----------------|-----------------|------|
| Companies Located in Oregon: | | 183 | | |
| Aggregate Wages for Oregon-Based Employees Per Year: | | \$271,891,092 | | |
| 2016 Taxes to State: | | \$14,793,263.27 | | |
| Number of Employees Located in Oregon: | <u>Pre-Investment:</u> | 1759 | <u>Current:</u> | 3928 |

Other benefits accruing to the state by virtue of the company operating in Oregon:

Provides employees with good, living wages, benefits and training; Reaches a global audience and encourages women- and minority-led companies in Oregon; Creation and diversity in the location of employment within Oregon; Actively works with local utilities and efficiency experts; Furthers green living in Oregon; Contributes to the state's reputation for innovation in energy efficiency; Provides air travel access for smaller communities; As top tech and retail companies thrive here, people are moving to Oregon from out of state to join these organizations. This increases the talent pool in Oregon and will lead to more new companies; Spinouts from OSU, U of O, and OHSU; Works with Oregon college and high school students and produces technology used by other OR companies; Partners with OR Native American Tribes; Helps build a conservation legacy in our state.

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Impact Benefits Provided by Ecotrust II:

| <u>Impact Metric</u> | <u>Data</u> |
|--|---|
| Acres Under Conservation Easement | 938 |
| Total Feet of Streams | 660,000 total feet of streams (including 34 miles of fish streams) |
| # of Conservation & Restoration Projects Completed (in year) | 4 |
| Brief Description of Conservation Projects | <ol style="list-style-type: none">1. (ON GOING) Additional Desolation creek riparian fencing has been erected to protect habitat for five salmonid species as well as the threatened bull trout. Desolation creek is the single largest source of cold water into the North Fork of the John Day River making it the regional priority for State and Federal agencies and conservation groups. In addition to creek protection, cold freshwater spring restoration has also taken place, which includes fencing off springs to protective sensitive areas, as well as geomorphic and hydrological assessment for Desolation Creek. Watershed restoration activities performed on the Desolation property targeted the following species: bull trout, steelhead, Chinook salmon, westslope cutthroat/redband trout, beaver, shrub and hardwood tree nesting birds, bats, Western toad and Columbia spotted frog.2. (COMPLETED) Reforestation efforts on the Chimacum property included the less common species Western red cedar which promotes biodiversity.3. (COMPLETED) We completed noxious weed control on the Chimacum, Desolation and Wasson properties.4. (COMPLETED) On our Washington State properties we entered into an agreement with the Washington Department of Fish and Wildlife to voluntarily protect the fisher's habitat. |
| Total Full-Time equivalent Jobs Supported | 7 |
| Public Recreation Access (acres) | 22,084 |
| # of Native American Tribes Engaged (per year) | 5 |
| Number of acres transferred to long term owners | 109 |

Notes

Economic Development stats have been provided by the manager and have not been verified through outside sources.

¹ Companies that are no longer on the manager books as of 12/31/16 have been maintained in this report. Cost and the Fair Market Valuation are as of the last audited report from when the portfolio company was still carried.

² Stats include exited investments: Endeavour Capital III; Fluke Venture Partners II; Riverlake Equity Partners Fund I; SmartForest Ventures I; Tamarack Mezzanine Partners; Timberline Venture Partners, LP; Timberline Annex Fund, LP. Total OGA/OGB Commitments for funds that are currently open are \$1,853,802,619.

³ Portfolio Companies held in more than one fund have been counted only once.