School Board Agenda
Oregon City School District, April 15, 2019

The Board of Education will meet in Work Session, beginning at 6:00 p.m. on Monday, March 18, 2019, at the District Office, 1417 12th Street, Oregon City.

Work Session Agenda

1. ACTION ITEM:
   - 1819-18 Approve MOU between the OCEA and District Regarding a 2018-19 School Calendar Change for “Day of Action”

2. 2019-20 Budget Development
   - Legislative Update
   - Forecast Update
   - Budget Committee Protocol
   - Superintendent’s Recommendations

3. Bond Implementation
   - Investment Report
   - Bond Fund Report
   - Role of Local Contract Review Board

Following the Work Session, the Board of Education will meet in Executive Session, at the District Administration Office, 1417 12th Street, Oregon City, OR, discuss bargaining & property matters pursuant to ORS 192.660(2)(e).

NOTICE TO MEDIA: In accordance with ORS 192.660(4) regarding Executive Sessions, news media representatives may not be allowed to attend portions dealing with collective bargaining strategy or consideration of student expulsion. All other matters discussed in Executive Session must remain undisclosed.

Please silence all electronic devices before the meeting begins.

Executive Session Agenda:

- Property
Oregon City School District
School Board Meeting

1819-18 Approve MOU between the OCEA and District Regarding a 2018-19 School Calendar Change for “Day of Action”

Discussion:
Representatives of the Oregon City Education Association and the District have met to negotiate a proactive response to a forecasted disruption to the safe and orderly operation of schools on Wednesday, May 8, 2019. The Oregon Education Association has called for a “Day of Action” to lobby for additional school funding from the 2019 Oregon Legislature. The District forecasts a shortage of licensed staff and substitutes necessary to safely and adequately operate school. While the School Board has the authority to declare the day an emergency closure and add a day of instruction to the end of the school year, this agreement proactively schedules a “make-up” day in advance with an instructional day earlier in the year to benefit all students.

Recommendation: Approve.

1819-18 APPROVE THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE OREGON CITY EDUCATION ASSOCIATION (OCEA) AND OREGON CITY PUBLIC SCHOOLS (DISTRICT) REGARDING A 2018-19 SCHOOL CALENDAR CHANGE

WHEREAS the Oregon Education Association (OEA) has called upon all educators and families to participate a statewide “Day of Action” on May 8, 2019 that will result in educators not coming to work that day at the District and across the state; and

WHEREAS participation in the event by a material number of OCEA members would exceed the capacity to provide licensed substitutes and the District has grave doubts about its ability to appropriately provide a safe and orderly learning experience within the schools on that day; and

WHEREAS, the District does not condone work absences but is primarily focused on the protection of student learning time and student safety; and

WHEREAS to minimize the negative impact of the anticipated absences, the parties’ have worked collaboratively to modify the 2018-19 school calendar as outlined in the MOU in lieu of adding a day of school at the end of the school year to support meaningful learning opportunities and ensure high school seniors receive the benefit of this instructional time; and

WHEREAS, the Oregon City Education Association has voted to approve and ratify the Memorandum of Understanding;

THEREFORE, be it resolved that the proposed Memorandum of Understanding be approved.
Memorandum of Understanding
Between
Oregon City Education Association
And
Oregon City Public Schools

RE: 2018-19 School Calendar Change for “Day of Action”

A. Intent of the Parties. The Oregon City Public Schools (hereafter referred to as the “District”) and the Oregon City Education Association (hereafter referred to as the “Association”) acknowledge:

1. The Oregon Education Association (OEA) has called upon all educators and families to participate a statewide “Day of Action” on May 8, 2019, to protest nearly three decades of school budget crises and advocate for a significant K-12 investment.
2. Participation in the event is permitted by many local collective bargaining agreements in the metro region and will exhaust the capacity to provide licensed substitutes to ensure the safe and orderly operation of schools.
3. Student learning time must be protected.

Therefore, in the parties’ efforts to work collaboratively to ensure safe and orderly learning environments and equal instructional time for students, the District and the Association agree to modify the 2018-19 school calendar as outlined in the table below.

B. 2018-19 Calendar Change

<table>
<thead>
<tr>
<th>DATE</th>
<th>CURRENT</th>
<th>CHANGE TO:</th>
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</thead>
<tbody>
<tr>
<td>Fri., May 3, 2019</td>
<td>No School</td>
<td>Regular Instructional Day</td>
</tr>
<tr>
<td></td>
<td>E – PD (.5) &amp; Planning (.5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MS – PD (.5) &amp; Grading (.5)</td>
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</tr>
<tr>
<td></td>
<td>OCHS/CAIS – Furlough</td>
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<td>Wed., May 8, 2019</td>
<td>Regular Instructional Day</td>
<td>No School</td>
</tr>
<tr>
<td></td>
<td>E – Non-contract Day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MS – Non-contract Day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCHS/CAIS – Non-contract Day</td>
<td></td>
</tr>
<tr>
<td>Fri., June 14, 2019</td>
<td>No School</td>
<td>No School</td>
</tr>
<tr>
<td></td>
<td>E – Non-contract Day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MS – Non-contract Day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCHS/CAIS – Non-contract Day</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
- There is no change to the last day of school on June 12th and other scheduled activities on June 13th.
- The current calendar for Oregon City Service Learning Academy (OCSLA) will not change.

C. In agreeing to this Memorandum, the Association has assured the District that there will be no additional disruption to the remaining school calendar or learning environment.
D. All provisions of the Collective Bargaining Agreement not modified by this Memorandum of Understanding will remain in full force and effect.

E. This Memorandum of Understanding is tentative and is subject to final approval by the respective principals of the parties.

For the District:  
Larry Didway, Superintendent  
Date

For the Association:  
Brenda Roland, President  
Date
Budget committee process frequently asked questions

Frequently asked questions about Oregon's budget law process and budget committee responsibilities are listed below.

General information

What is a budget?

A "budget" is the school district's financial plan for the upcoming fiscal year. The budget will always include estimated costs of goods and services, which the district intends to purchase in the upcoming fiscal year. And the budget will always include an estimate of the "resources" that the district will use to pay for the costs.

What is the budget law process?

The Oregon Department of Revenue describes the local budget law process as a four phase process:

Phase 1 begins the process. Phase 1 involves the budget officer. The budget officer puts together a proposed budget. The budget officer prepares the proposed budget in a format designed by the Department of Revenue and to meet the goals and objective set by the school board.

Phase 2 involves the budget committee. The law spells out who can be on the committee and when the committee can meet. The budget committee reviews the proposed budget, listens to comments from citizens, and then approves the budget. The budget committee reviews the proposal to ensure that the district is planning to spend money in furtherance of expressly stated district goals.
Phase 3 involves the school board. Phase 3 includes adopting the budget and certifying property taxes to the county tax assessor. This phase includes a special school board meeting and specific public notices, including a summary of the approved budget. Special forms must also be used to notify the county assessor of the school district’s property tax levy.

Phase 4 involves the school district and the school board. Phase 4 occurs during the fiscal year or biennial budget period when the local government is operating under the adopted budget. This phase includes changes to the adopted budget. Changes must be approved by the school board, and possibly a supplemental budget process. Changes to the adopted budget must be made before additional money is spent or money is spent for a different purpose than described in the adopted budget.

Why do we have budget laws?

Generally, budget laws facilitate transparency and accountability. Responsible spending is important to the citizens of Oregon. Here are a few of the ways in which the budget laws facilitate transparency and accountability: (1) uniform procedures, (2) independent committee members, (3) public meetings, and (4) public participation.

Does the budget have to be balanced?

Yes. Preparing a budget allows the school district to look at its needs in light of the money available to meet those needs. In Oregon, school districts must plan a balanced budget—proposed costs equal available resources. A school district can’t plan to purchase more items or services than it has money to pay for them.

Can the Board make changes to the approved budget after adoption?

Yes. The board has the authority to make certain changes to the approved budget. The board may change the revenue or expenditures of a fund by up to
10%. The board may decrease revenue or expenditures to reflect actual changes. The board may make changes between budget programs (e.g. decrease Maintenance and increase Instructional Materials).

There are two exceptions when the Board’s changes increase the estimated expenditure more than 10% a supplemental budget may be required. Second, the property tax levy may not exceed the amount shown in the budget approved by the committee. If the board makes changes to the approved budget beyond the 10% limit, then they must publish a revised budget summary and hold another budget hearing to receive public comment.

General budget committee questions

What is a budget committee?

A budget committee is a group of school board members and citizens that reviews the school district’s proposed budget. The committee is composed of the school board and an equal number of citizens. The committee reviews the budget at a public meeting. The public is encouraged to attend because one of the most important purposes of the committee is to take comments and questions from interested citizens. The committee can make changes to the proposed budget to reflect changes it wants to make in the local government’s spending in order to meet the goals and objectives established by the school board. When it is satisfied, the committee approves the budget.

Each of the members has the same authority, whether school board member or appointed citizen. Each appointed member is appointed for staggered 3-year terms. The committee cannot receive reimbursement for expenses incurred while serving.
Who can be on a budget committee?

The budget committee is composed of the school board and an equal number of qualified voters from the district. Officers, agents, or employees of the school district may not sit on the committee. If the school board can’t find enough citizens willing to serve on the budget committee, then the committee is made up of the number of citizens who will serve and the school board.

What are the required positions on a budget committee?

The "presiding officer" position is the only position required by law. At the budget committee’s first meeting after appointment, the budget committee must elect a presiding officer. ORS 294.336(9). The presiding officer chairs the committee meetings. A vice chair may be elected. The vice chair position is created to chair meetings in the absence of a presiding officer.

What does the budget committee do?

In general, the budget committee reviews and approves the school district’s proposed budget. The criteria used to review budget are the school district’s expressly stated goals. Therefore, if a budget committee approves a proposed budget, then the committee certifies that the district is planning to spend money in furtherance of expressly stated goals.

NOTE: The committee approves the budget and refers it to the school board. The school board adopts the budget.

What does the budget committee NOT do?

The budget committee does not set salaries, benefits, or contract terms for employees or administrators. The budget committee does not set staffing levels. The budget committee does not decide whether or not a service or program should be provided. The budget committee does not make district policies.
What is the first step for a budget committee?

The first step for a budget committee is to fill all positions on the budget committee. The school board appoints the citizen-members. If the school board is unable to find enough citizens willing to serve on the budget committee, then the committee is made up of the citizens who will serve and all the members of the governing body.

Budget committee meeting questions

What are the notice requirements for budget committee meetings?

The budget committee must notify the electorate that it plans to have a meeting. The law specifies three publication methods for giving public notice. (1) Printing in a newspaper of general circulation within the boundaries of the local government. (2) Mailing through the United States Postal Service by first class mail, postage prepaid to each street address in the boundaries of the local government. Or, (3) hand delivering to each street address in the boundaries of the local government.

If notice is provided in a newspaper, then it must be published twice. The printings must be at least five days apart. The first printing cannot be more than 30 days before the meeting and the second printing cannot be less than five days before the meeting. If the notice is mailed or hand delivered, then it must be mailed or delivered not later than 10 days before the meeting.

What must happen at the first meeting?

The following tasks must be completed at the first meeting:

- elect a chairperson
• adopt rules of order
• receive the budget message from the superintendent
• budget officer reviews significant changes in proposed budget
• set dates for future meetings
• hear public comments

How many meetings are required per year?

The law does not require a particular number of meetings per year. In practice, the number of meetings per year has depended on a variety of factors. Factors affecting the number of meetings per year include: detail in the budget, size of the governing body, number of funds, and personalities of committee members.

Budget committee responsibilities

How does the committee approve a budget?

The approval process is repeated each year. First the superintendent presents the proposed budget to the committee. Second, the committee reviews the proposed budget by asking questions of the superintendent, receiving input from the public, and making changes to the budget. Third, if the committee approves both the proposed spending and taxing, then the committee recommends the budget to the school board.

Can the committee change the budget?

Yes. The committee has the authority to change the superintendent’s proposed budget. But, the changes are not guaranteed to stay. After the committee recommends the proposed budget to the school board, the school board also has
authority to change the proposed budget. There are two limitations placed on the school board: (1) if the school board increases expenditures in a fund - e.g. general fund, transportation fund - by more than 10%, then the budget must go through a supplemental budget process; (2) the school board does not have the authority to increase taxes approved by the committee. The second limitation is significant because the law requires school district budgets to be balanced.

How many votes are required to pass a motion?

A majority of the entire committee (not just the quorum present at the meeting) is required to approve any motion. A majority is one more than half of the members. For example, if a committee has 10 members, then 6 votes is a majority; if a committee has 14 members, then 8 votes is a majority.

What may a committee member discuss outside of a meeting?

With regard to communications outside of a budget meeting, the committee is subject to public meeting laws. Thus, it is permissible for committee members to discuss matters relating to the budget. But, if a majority of the committee is present, then the group shall not discuss matters relating to the budget, otherwise it will constitute a meeting. If you have a majority, then discussion of budget matters violates the law unless public notice has been given.

When do budget committee duties cease?

Except for the budget officer, the budget committee’s duties cease when the budget is approved by the budget committee. At that time, the school board is responsible to move the budget through adoption. After approval, the budget officer must publish (1) financial summaries and (2) a public hearing notice.
Budget Preparation

The superintendent has the overall responsibility for budget preparation and will develop such procedures necessary to ensure that the proposed budget reflects all aspects of district operations.

The superintendent, in consultation with the district leadership team and departmental supervisors, will develop budget priorities for the district and will make appropriate recommendations related to those priorities to the Board and budget committee.

The superintendent will deliver the budget message and the proposed budget document to the budget committee at the first official budget committee meeting.

END OF POLICY

Legal Reference(s):

ORS 294.305 to -294.565
ORS 328.542 to -328.565

OR. DEP’T OF EDUC, PROGRAM BUDGET AND ACCOUNTING MANUAL.
OR DEP’T OF REVENUE, LOCAL BUDGETING MANUAL.

Cross Reference(s):

DBEA - Budget Committee
Budget Committee

Organization, Membership and Terms of Office

The district budget committee will consist of the seven members of the Board and seven electors appointed by the Board as required by law. To be eligible for appointment, the appointive member must (1) live in the district; (2) not be an officer, agent or employee of the district; and (3) must be a registered voter. No budget committee member may receive any compensation from the district for services as member of the budget committee. Terms of the appointed members of a budget committee will be three years each with appointments made so that, as nearly as practicable, the terms of one-third of the members expire each year. The Board will establish appropriate timelines and procedures for appointment of budget committee members.

A majority of the constituted committee is required for passing an action item. Majority for a 14-member budget committee is 8. Therefore, if only 8 members are present, a unanimous vote is needed for passing an action item.

Presiding Officer and Orientation of Budget Committee

Organization: The budget committee will hold its first official organizational meeting on a day set by the Board. A presiding officer shall be elected from among its members at this meeting.

Background Information: Budget committee members will be provided with data for the ensuing year, such as the Board’s educational plan, and other pertinent material bearing on the preparation of a district budget.

Meetings of the Budget Committee

The budget committee shall hold one or more meetings to receive the budget message, the budget document; and to provide members of the public with an opportunity to ask questions about and comment on the budget document. The budget officer shall announce the time and place for all meetings, as provided by law. All meetings of the budget committee are open to the public. Invitations to board work sessions shall not be deemed as meetings of the budget committee.

Function of the Budget Committee

It is the function of the budget committee to approve budget estimates for an educational plan previously determined by the Board. The budget committee will determine the total levels of spending, but will not determine programs.
Final Action

The budget committee will approve an estimated budget document for submission to the Board.

END OF POLICY

Legal Reference(s):

ORS 174.130
ORS 192.610 to -192.695
ORS 294.305 to -294.565
ORS 433.835 to -433.875

Cross Reference(s):

BDE - Public Hearings
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<th>Book Value</th>
<th>Percentage of Portfolio</th>
<th>Maximum allowed per Policy</th>
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<td>30.07%</td>
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<td>N/A</td>
<td>2.55%</td>
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<td><strong>US Gov't Agencies</strong></td>
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<td><strong>Corporate Notes</strong></td>
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**Banks/LGIP**

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<td>Sub Total - banks</td>
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**Grand Total** $200,341,596.33 2.66%
Bidding Requirements

The Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended. All public contracts for goods or services shall be based upon applicable competitive procurement provisions of Oregon Revised Statutes and adopted public contracting rules except:

1. Contracts between contracting agencies or between contracting agencies and the federal government;
2. Insurance and services contracts as provided for under state law;
3. Contracts for the procurement or distribution of textbooks;
4. Energy savings performance contracts;
5. Contracts made with qualified nonprofit agencies providing employment opportunities for disabled individuals;
6. Public improvement contracts exempted by the Local Contract Review Board (LCRB) upon findings that the award would not encourage favoritism or substantially diminish competition and would result in substantial cost savings and other substantial benefits to the contracting agency;
7. Special procurements exempted by the LCRB upon findings that the award would not encourage favoritism or substantially diminish competition and would result in substantial cost savings to the contracting agency;
8. Emergency contracts;
9. Any other public contract specifically exempted from the code by another provision or law.

The Board will serve as the LCRB for the district. All district purchasing shall be conducted in accordance with the Board’s adopted rules.

The Board acting as its own LCRB, adopts the Oregon Attorney General’s Model Public Contract Rules OAR Chapter 137, Divisions 046 through 049, in effect at the time this policy is adopted. These rules govern purchasing procedures, and other matters subject to public contracting provisions of law.

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1The Board may contract with another public agency to serve as its LCRB.

2Purchases shall be governed by ORS Chapter 279, 279A, 279B and 279C. Additionally, the Board may, as provided by ORS 279, 279A.065, adopt the Oregon Attorney General’s Model Public Contract Rules, OAR Chapter 137 governing purchasing/bid procedures. The Board may also adopt the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125. The Board may adopt portions of those rules or adopt its own rules. A Board that creates its own LCRB but has not established its own rules of procedure for public contracts is subject to the model rules (OAR Chapter 137) adopted by the Attorney General.
The district shall procure the construction manager/general contractor services in accordance with model rules the Attorney General adopts under ORS 279A.065(3).

Additionally, the Board may include as part of its rules portions of the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125, Divisions 246 through 249 in effect at the time this policy is adopted.

Where necessary, the Board has made the written findings required by law for exemptions from competitive bidding. Such findings shall be maintained by the district and made available on request.

The district shall review its rules each time the Attorney General adopts a modification of the model rules, as required by ORS 279A.065(5)(b), to determine whether any modifications need to be made to district rules to ensure compliance with statutory changes. New rules, as necessary, will be adopted by the Board. In the event it is unnecessary to adopt new rules, Board minutes will reflect that the review process was completed as required. The Board recognizes that a public contracting agency that has not established its own rules of procedure as required by ORS 279A.065(5) is subject to the model rules adopted by the Attorney General, including all modifications to the model rules that the Attorney General may adopt.

Opportunity will be provided to all responsible suppliers to do business with the district. The business manager or chief financial officer will develop and maintain lists of potential vendors for various types of materials, equipment and supplies. Such lists may be used to develop a mailing list for distribution of specifications and solicitations for bids or proposals. Any supplier may be included in the list upon request.

Procurements estimated to be in excess of $250,000 shall go through the cost analysis and feasibility process described in ORS 279B.

Records of bids, proposals and specifications will be kept in the district administration office and will conform with Oregon Revised Statutes and applicable records retention provisions of the Oregon Attorney General’s Model Public Contract Rules.

END OF POLICY

Legal Reference(s):
ORS Chapters 279, 279A, 279B and 279C
OAR Chapter 125, Divisions 246-249

OR. DEP’T OF JUSTICE, OR. ATT’Y GENERAL’S MODEL PUBLIC CONTRACT RULES MANUAL.

Cross Reference(s):
DJ - District Purchasing
DJCA - Personal Services Contracts
EH - Electronic Data Management
FEF/FEFB - Construction Contracts - Bidding and Awards
Special Procurements and Exemptions from Competitive Bidding

SPECIAL PROCUREMENTS

The district shall submit a written request to the Board, acting as the Local Contract Review Board (LCRB), that describes the contracting procedure, the goods and services or class of goods and services that are the subject of the special procurement and circumstances that justify the use of a special procurement under the standards as follows: the special procurement is unlikely to encourage favoritism in the awarding of public contract or to substantially diminish competition for public contracts and, (A) is reasonably expected to result in substantial cost savings to the district or to the public, or (B) otherwise substantially promote the public interest in a matter that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065, 279B.070 or under any related rules. Public notice of the approval of a special procurement must be given in the same manner as provided in ORS 279B.055(4). If the district intends to award a contract through special procurements that calls for competition among prospective contractors, the district shall award the contract to the contractor it determines to be most advantageous to the district. When the LCRB approves a class special procurement the district may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for a special procurement.


   a. The district may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.

   b. Solicitation specifications for public contracts of the district shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections c. and d. of this rule.

   c. The district may specify a particular brand name or equal specification when the use of a brand name or equal specification is advantageous to the district, because the brand name describes the standard of quality, performance, functionality and other characteristics of the product needed by the district.

      (1) The district is entitled to determine what constitutes a product that is equal or superior to the product specified, and any such determination is final;

      (2) The district is not prohibited from specifying one or more comparable products as examples of the quality, performance, functionality or other characteristics of the product needed by the district;

      (3) A brand name specification may be prepared and used only if the district determines for a solicitation or class of solicitations that only the identified brand name specification will meet the needs of the district based on one or more of the following written determinations:
(a) The use of a brand name specification is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; or

(b) Specification of the brand name, mark or product would result in cost savings to the district; or

(c) There is only one manufacturer or seller of the product of the quality, performance or functionality required; or

(d) The efficient utilization of existing goods requires the acquisition of compatible goods and services.

d. The district may award a contract for goods or services without competition when the LCRB determines in writing that the goods or services, or the class of goods or services, are available from only one source. The determination of the source must be based upon written findings that shall include:

(1) A brief description of the contract or contracts to be covered, including contemplated future purchases;

(2) Description of the product or service to be purchased; and

(3) The reasons the district is seeking this procurement method, which shall include any of the following:

(a) That the efficient utilization of existing goods requires the acquisition of compatible goods or services; or

(b) That the goods or services required for the exchange of software or data with other public or private agencies are available from only one source; or

(c) That the goods or services are for use in a pilot or an experimental project; or

(d) To the extent reasonably practical, the contracting agency shall negotiate with the sole source to obtain contract terms advantageous to the contracting agency.

e. The district may specify a product or service available from only one manufacturer but available through multiple sellers after complying with subsection c. above documenting the procurement file with the following information:

(1) If the total purchase is over $10,000 but does not exceed $150,000, and a comparable product or service is not available under an existing Mandatory Use Contract, the district must obtain informal competitive quotes, bids or proposals and document this process in the procurement file;

(2) If the purchase does not exceed $150,000, and the supplies or services are not available under an existing price agreement for information technology with competing products or Mandatory Use Contract, the district must first request and obtain prior written authorization from the LCRB to proceed with the acquisition.

f. If the district intends to make several purchases of brand name-specific supplies and services from a particular manufacturer or seller for a period not to exceed five years, the district must so state this in the procurement file and in the solicitation document, if any, or a public notice of a solicitation. If the total purchase amount is estimated to exceed $150,000, this shall be stated in the advertisement for bids or proposals.

Findings of Fact/Conclusion of Compliance with Law (OAR 125-247-0275)
The district shall submit a written request to the local contract review board that describes the contracting procedure, goods and services subject of the special procurement and the circumstances that justify the use of the special procurement.

a. It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts and is reasonably expected to result in substantial cost savings to the district which could not be realized under ORS 279B.055, 279B.060, 279B.065 or 279B.070 as required by ORS 279B.085(4).
b. Public notice of the approval must be given in the same manner as provided in ORS 279B.055(4).
c. This rule requires the districts to make a good faith effort to determine that no other sources are available for the specified products.
d. The district maintains open lists from which vendors are contacted for quotations and utilizes electronic means of determining new vendors on an ongoing basis.
e. The awarding of a contract as described in this special procurement should result in substantial cost savings by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost.
f. When the local review board approves a class special procurement the district may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for procurement.

2. Advertising Contracts, Purchase of

a. The district may purchase advertising in any media, regardless of dollar amount, without competitive bidding.
b. The Board acting as the LCRB of the district must use competitive methods whenever possible to achieve best value and must document in the procurement file the reasons why a competitive process was deemed impractical and the resulting contract must be in writing.
c. If the anticipated purchase exceeds $10,000 and a competitive method is used, the district must post notice on the Oregon Procurement Information Network (ORPIN).

Findings of Fact

The district traditionally purchases advertising in newspapers. The following findings relate primarily to newspapers and written publications; however, the district may also purchase advertising for student activities or educational programs in other media, such as radio or television, where these findings apply:

a. By their nature, media sources are generally unique. Advertisements are placed in a particular source because of the specific audience that source serves;
b. Competition to furnish advertising space in daily newspapers of general, trade or business circulation in the vicinity of the district is limited;
c. Cost savings are difficult to quantify where the sources are unique and not interchangeable;
d. Advertisements may be placed to satisfy legal notice or Board policy requirements;
e. Other published advertisements or notices, such as routine public notices, personnel recruitment information, etc., are placed in one or more of the publications of general circulation in the local area and other publications, as appropriate;
f. The communities served by the district rely upon its use of the local daily newspaper as a central source of news and information regarding district activities;
g. It is unknown whether contracts for advertisements placed with radio, television or other broadcast media are going to result in cost savings if not placed for competitive bid or request for proposal (RFP). If possible savings could be obtained through competitive means, the district would attempt to obtain competitive quotes or bids, as appropriate.

**Conclusion of Compliance with Law**

Due to limited competition and unique nature of sources, it is unlikely that this class special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Further, any contracts awarded under this class special procurement would result in a cost savings available to the district where the district can achieve volume savings through contracts for advertising with a particular media source, or otherwise substantially promote the public interest.

3. **Advertising Contracts, Sale of**

The district may sell advertising for district publications and activities, regardless of dollar amount, without competitive bidding, including school newspapers, yearbooks, athletic programs, drama or music programs and the like.

**Findings of Fact**

Sales of advertising for student activities are generally other fund revenues, where student groups solicit advertisements from local businesses to help with the cost of the activity itself. A common example is the sale of advertising in school newspapers and yearbooks. The circulation of the newspaper and yearbook is limited to the students, teachers, parents and interested members of the community associated with the activities of that particular school. Due to the limited circulation and audience, the businesses that participate by purchasing advertising do so partly in the spirit of good will. Any business is welcome to place an advertisement in the school newspaper or yearbook; all it needs to do is to contact any district school department which publishes one. The district itself would not achieve any increased revenue to the General Fund by seeking competitive bids or proposals for such advertising. This holds true for other student activities, such as athletics, drama or music events and the like.

**Conclusion of Compliance with Law**

These findings indicate that it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Any business or individual who wishes to advertise in this manner may do so by simply contacting the student group responsible for the activity.

The sale of advertising for student activities such as school newspapers, yearbooks, athletic, drama or music programs would not benefit from competitive procurement. Such a requirement would place an unnecessary burden on the student group’s activity and there is no financial advantage to the district in doing so. Consequently, the cost savings test is not an issue.

4. **Equipment Repair and Overhaul**

a. The district may enter into a public contract for equipment repair or overhaul without competitive bidding, subject to the following conditions:

Special Procurements and Exemptions from Competitive Bidding - DJC-AR 4-25
(1) Service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing; or
(2) Service or parts required are for sophisticated equipment for which specially trained personnel are required and such personnel are available from only one source; and
(3) The purchase is made within the limits and pursuant to the methods in subsection b. of this rule.

b. The following limitations apply to this rule:

(1) If the contract is less than or equal to $150,000, the school or department shall submit in writing to the superintendent or designee the reasons why competitive bids or quotes are deemed to be impractical. The superintendent or designee will accordingly document in its procurement file and may enter directly into the contract;
(2) If the school or department official thinks the contract may exceed $150,000, he/she shall submit in writing to the superintendent or designee the reasons why competitive bidding is deemed to be impractical and a description of the cost savings to be obtained by an special procurement. The superintendent or designee may prepare a specific request for the anticipated contract to be obtained through special procurement procedures to submit to the LCRB for approval.

Findings of Fact

a. The need for equipment repair or overhaul cannot be anticipated by district staff. If a piece of equipment is broken or not working properly, the district incurs cost of downtime, possible replacement equipment rental fees, staff time and other inconveniences or liabilities to its programs.

b. Generally, there are a limited number of vendors who are able to perform repair or overhaul on a particular piece of equipment because of its make or manufacture. Sophisticated equipment may require specially trained personnel available from only one source. Often, a piece of equipment will have a partial warranty in place which will guarantee some savings to the district in the parts and/or labor needed to do the repair or overhaul. This warranty savings may only be achieved if the original manufacturer or provider of the equipment performs the necessary repair or overhaul.

c. The dollar limits on the use of this special procurement procedure ensure that when the cost of the equipment repair or overhaul is expected to exceed $150,000, the district will either seek formal competitive bids or, if that is not practical or cost effective, obtain a specific special procurement procedure from the LCRB to proceed with the purchase of the needed repair or overhaul.

Conclusion of Compliance with Law

It is unlikely that this special procurement procedure will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts because the dollar limits incorporated into this special procurement when the anticipated costs exceed $150,000, insure the district will seek formal competitive bids and proposals. If the formal process is not practical, the district will obtain a specific exemption from the LCRB to proceed with the purchase of the needed repair or overhaul.
The awarding of public contracts under this special procurement will result in a cost savings to the
district, as required by ORS 279B.085, because the district incurs direct and indirect costs from the
moment equipment breaks down or becomes unusable. This special procurement only applies to
equipment already owned by the district and does not provide for the purchase of new equipment.
The district must be able to purchase necessary services and parts as quickly as possible in order to
minimize equipment downtime and potential costs during that downtime.

5. Copyrighted Materials

The district may, without competitive bidding and regardless of dollar amount, purchase copyrighted
materials where there is only one known supplier available for such goods. Examples of
copyrighted materials covered by this special procurement procedure may include, but are not
necessarily limited to, newly adopted textbooks/instructional materials, workbooks, curriculum kits,
reference materials, audio and visual media and non-mass-market ed software from a particular
publisher or their designated distributor.

Findings of Fact

a. By their nature, copyrighted materials are protected for the use of a single owner. Copyrighted
materials may not be duplicated by others without the copyright owner’s permission or license.
Copyrights are established and regulated under federal law.
b. Often, copyrighted materials are produced by only one supplier who may be the owner of the
copyright or his/her licensee. Textbooks/Instructional materials are examples of copyrighted
materials that the district purchases through a sole source. Textbooks/Instructional materials
are adopted through a statewide process under the authority of the Oregon Department of
Education. A textbook/instructional material adoption defines the various materials which the
district will purchase for use in its educational programs.

The district purchases its textbooks/instructional materials through the Northwest Textbook
Depository. This practice enables the regional textbook depository to purchase and warehouse
textbooks/instructional materials in conformance with adoptions made in the states of their
region. The result is that savings are achieved through the depository’s combined purchases
on behalf of member districts. Freight costs for individual districts are reduced by the bulk
purchases of the depository and the depository takes on the cost of stocking and warehousing
enough to meet each member district’s needs.

The system of textbook/instructional materials distribution enables the district to participate in
the largest possible bulk purchasing activity of adopted textbooks/instructional materials in the
region. This ensures a cost savings to the district, a savings that would be jeopardized if the
district was to act as an individual purchaser.

Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in the
awarding of public contracts. The production and distribution of copyrighted materials is controlled
by the owner of the copyright and may only be permitted through a sole source. The district has no
control over this.
The awarding of contracts pursuant to this special procurement will result in a cost savings to the district when it needs to purchase copyrighted materials and there is only one known supplier for such goods, or otherwise substantially promote the public interest.

6. **Product Prequalification**

a. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the district may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:

1. The district will make reasonable efforts to notify all known manufacturers and vendors of competing products of the district’s intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the district’s list of prequalified products. At its discretion, the district may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the district may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the district; and

2. The district will accept manufacturer and vendor applications to include products in the district’s list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the district’s written notice.

b. If the district denies an application for including a product on a list of prequalified products, the district shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a written appeal within seven calendar days to the district business manager or chief financial officer to request review and reconsideration of the denial.

**Findings of Fact**

a. There are occasions when the district needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The district may have a specific performance or design need, but it is impractical for the district to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex and constantly changing. It would be very burdensome and time consuming for the district to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the district’s specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and district programs, because staff are not able to order the equipment they need until the contract is awarded.
In this case, it might be more cost effective and efficient for the district to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

b. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the district must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.

c. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The district maintains vendor mailing lists which are open to all interested vendors. The district uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.

d. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.

e. Subsection b., of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

**Conclusion of Compliance with Law**

Where prequalification of products is appropriate, it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or diminish competition for such contracts. There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.

The prequalification of products process is a time-consuming effort for the district. It is not a shortcut procurement method. The district would use this method only after balancing cost-saving considerations, such as the ability of the district to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to contract award. If the prequalification method is chosen, it will result in a cost savings to the district because the normal method of product selection is too cumbersome and costly to pursue, or otherwise substantially promote the public interest.

7. **Requirements Contracts (Blanket Purchase Orders, Price Agreements)**

a. The business manager or chief financial officer, on behalf of the district, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining district requirements for volume discounts, standardization among school and departments and reducing lead time for ordering.

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1The Oregon Procurement Information Network (ORPIN) allows authorized members to utilize the state’s price agreement/contracts to purchase goods and services. Authorized ORCPP members can legally attach to a state price agreement and forego the competitive bid process. Access to hundreds of competitive price contracts for a wide variety of goods and services: vehicles, computers, furniture, copiers, fax machines, travel, pharmaceuticals, office products, etc. is available. Counties, cities, schools, municipalities or their public corporate entities having local governing authority, a United States governmental agency or American Indian tribe or agency are eligible to participate.

Special Procurements and Exemptions from Competitive Bidding - DJC-AR

8-25
b. The district may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.

c. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.

d. School and departments shall use requirements contracts established by the district, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.

e. Under the authority of ORS 279A.025 and 279B.085, the district may use the requirements contract entered into by another Oregon public agency when:

   (1) The original contract met the requirements of public contracting code; and
   (2) The original contract allows other public agency usage of the contract; and
   (3) The original public contracting agency concurs and this is documented by a written interagency agreement between the district and the agency.

f. The term of any district requirements contract, including renewals, shall not exceed five years unless otherwise permitted under the public contracting code.

Findings of Fact

a. This rule permits the district to enter into a requirements contract, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or services are routine and repetitive. For example, school, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.

b. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among schools and departments and reducing lead time for ordering.

c. The district establishes requirements contracts as a result of open competitive bidding or RFP processes, unless otherwise permitted under the public contracting code.

d. The district limits the term of requirements contracts, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise permitted under the public contracting code.

f. The district may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this special procurement will result in favoritism in the awarding of public contracts or diminish competition for such contracts. The district will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of district requirements contracts will result in a cost savings to the district, or otherwise substantially promote the public interest. It would be costly and inefficient to make

Special Procurements and Exemptions from Competitive Bidding - DJC-AR

9-25
routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the district to get better prices from bidders.
8. **Used Personal Property or Equipment, Purchase**

a. Subject to the provisions of this rule, the district may purchase used property or equipment without obtaining competitive bids or quotes, if the district has determined that the purchase will result in cost savings to the district and will not diminish competition or encourage favoritism. “Used personal property or equipment” is property or equipment which has been placed in its intended use by a previous owner or user for a period of time recognized in the relevant trade or industry as qualifying the personal property or equipment as “used” at the time of district purchase. Used personal property or equipment generally does not include property or equipment if the district was the previous user, whether under a lease, as part of a demonstration, trial or pilot project or similar arrangement.

b. For purchases of used personal property or equipment costing less than or equal to $150,000, the district shall, where feasible, obtain three competitive quotes unless the district has determined and documented that a purchase without obtaining competitive quotes will result in cost savings to the district and will not diminish competition or encourage favoritism.

c. For purchases of used personal property or equipment totaling $150,000 or more, the district shall attempt to obtain three competitive quotes. The district will keep a written record of the source and amount of quotes received. If three quotes are not available, a written record must be made of the attempt to obtain quotes.

**Findings of Fact**

a. The district is responsible to manage expenditures in the best interests of the public. Cost savings can be achieved through the procurement of used property and equipment. The district purchases used property and equipment when it meets the district’s needs and is cost effective. Considerations include type, quality, quantity and estimated useful life of the used item.

b. Used equipment and property becomes available sporadically and without notice. Used equipment and property is generally sold on a first-come, first-served basis. When used property or equipment does become available, the district must be able to respond immediately in order to obtain the property or equipment.

c. Some types of property or equipment may not be readily available in the new goods market. The district may have to look for used items to fill the need.

d. Competition to provide used property and equipment may be very limited and inconsistent, depending on the type of product.

e. The district maintains vendor lists which include information on whether a vendor provides used property or equipment. These lists are open to all vendors.

**Conclusion of Compliance with Law**

It is unlikely that this special procurement will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts. The purchase of used property or equipment depends on an inconsistent, sporadic market. When a used item is available, there is often little competition available. Sources for used items of the type, quality and quantity required by the district are inconsistent. This rule requires the district to attempt to obtain and document

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2When contracting with another governmental entity, a district has a statutory exception under ORS 279A.025. The district may purchase state/federal surplus property through the Department of Administrative Services, State Services Division for Surplus Property. For more information on this program, contact DAS at 503-378-4714.
quotes as appropriate to the dollar amount of the purchase. If the anticipated purchase is over $150,000, the district will advertise its need.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. The cost of used equipment or property is generally substantially less than that of new. Savings of 20 percent to 50 percent are not uncommon. Used equipment can provide good value to the district and help ensure the continuation of district services and programs.

9. Information Technology Contracts

The district may enter into a contract to acquire information technology hardware and software without competitive bidding subject to the following conditions:

a. If the contract amount does not exceed $150,000, the district shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The district shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but the district shall make a written record of the effort made to obtain the quotes or proposals.

b. If the contract amount exceeds $150,000, the district shall determine and use the best procurement method, pursuant to the public contracting code and these rules, and shall solicit written proposals in accordance with the requirements of the Attorney General’s Model Public Contract and LCRB Rules. The district shall document the evaluation and award process, which will be part of the public record justifying the award;

c. If the amount of the contract is estimated to exceed $150,000, the district shall provide proposers an opportunity to review the evaluation of their proposals before final selection is made.

Findings of Fact

a. Rapid changes in technology make it necessary for the district to be able to purchase needed computer equipment quickly.

b. Pricing for high-technology equipment also changes rapidly. It is frequently possible to take advantage of frequent price changes in the marketplace in the purchase of computer equipment.

c. There is generally sufficient competition among vendors of information technology hardware and software for district business.

d. The district will follow rules governing special procurements and obtain at least three informally solicited quotes for purchases less than or equal to $150,000.

e. If the district requires a brand name or sole source product, the district will follow its rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements, to procure it.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the award of district contracts or substantially diminish competition for district contracts. The purchase of information technology hardware and software will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over $150,000, the district will advertise its need.
The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of information technology hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

10. **Telecommunications Systems - Hardware and Software Contracts**

   a. The district may enter into a contract to acquire telecommunications system hardware and software, without competitive bidding, subject to the following conditions:

      (1) If the contract amount does not exceed $150,000, the district shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The district shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but the district shall make a written record of the effort made to obtain the quotes or proposals.

      (2) If the contract amount exceeds $150,000, the district shall determine and use the best procurement method, pursuant to the public contracting code and these rules and shall solicit written proposals in accordance with the requirements of Chapter 137, Divisions 047 and 049 of the *Attorney General’s Model Public Contract and LCRB Rules*. The district shall document the evaluation and award process, which will be part of the public record justifying the award.

   b. The telecommunications solicitation authorized in subsection 10.a.(1) of these rules shall:

      (1) State the contractual requirements in the solicitation document;

      (2) State the evaluation criteria to be applied in awarding the contract and the role of any evaluation committee. Criteria that would be used to identify the proposal that best meets the district’s needs may include, but are not limited to, cost, quality, service and support, compatibility, product or system reliability, vendor viability and financial stability, operating efficiency and expansion potential;

      (3) State the provisions made for bidders or proposers to comment on any specifications which they feel limit competition.

**Findings of Fact**

   a. Rapid changes in technology make it necessary for the district to be able to purchase needed telecommunications hardware and software quickly.

   b. Since deregulation, there is generally adequate competition among vendors of telecommunication hardware and software to allow the district to make competitive purchases.

   c. Pricing for telecommunications hardware and software also changes frequently. It is important for the district to take advantage of price competition in the marketplace.

   d. The district will follow procedures governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases over $10,000 but less than or equal to $150,000.

   e. If a purchase of telecommunications hardware or software is expected to cost more than $150,000, the district will use a formal competitive bidding or proposal process in accordance with these rules and the *Attorney General’s Model Public Contract and LCRB Rules*. 
f. There are also times when the district needs to purchase specific items that are compatible with current equipment. On these occasions, the district will follow its rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements, to make the purchase.

**Conclusion of Compliance with Law**

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. The purchase of telecommunications hardware and software will be made in accordance with other competitive bidding rules herein. If the anticipated purchase is over $150,000, the district will advertise its need.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

11. **Telecommunications Services**

a. The district shall secure the most competitive, cost-effective telecommunications services of the quality needed to meet all service performance requirements while minimizing administrative and service delivery costs. The district will use routine purchasing procedures whenever possible, but if necessary, the district can consider alternative procurement methods in accordance with this rule.

The district will generally follow the normal competitive procurement processes in obtaining telecommunications services. This process will only be used if necessary where there is a lack of sufficient competition to furnish needed services.

b. In determining the appropriate procurement method for telecommunications services, the district shall comply with the requirements of ORS 291.038 and determine whether competition exists. In determining whether competition exists, the district may consider the following factors:

1. The extent to which alternative providers exist in the relevant geographic and service market; the greater area of Clackamas County;
2. The extent to which alternative services offered are comparable or substitutable in technology, service provided and performance. For example, if the district requires digital services, analog services are not comparable or substitutable. If the district requires fiber optic technology, then copper, microwave or satellite transmission technology may not be comparable or substitutable;
3. The extent to which alternative providers can respond to the district’s interest in consistency and continuity of services throughout its service area, volume discounts, equitable service for all users, centralized management and limiting district liability. For example, to be considered as the district’s long-distance service provider, any long-distance service vendor must be able to meet, support and interface with the district’s centralized automated billing requirements. The district must document for the record its findings on these factors or any other factors used in determining whether competition exists. In developing its findings, the district may solicit the information...
either through informal telephone or written contacts or through a formal solicitation such as an RFP.

c. If the district determines that competition does not exist in the area for the relevant service, the district may proceed to secure the service on a sole source basis, as described in the district’s rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements.

Findings of Fact

a. Since deregulation, there is generally adequate competition among vendors of telecommunication services to allow the district to make competitive procurements.

b. Since there is competition, price competition exists in the marketplace. It is important for the district to take advantage of existing competition.

c. The district will follow its rules governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases less than or equal to $150,000. The district shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but the district shall make a written record of the effort made to obtain the quotes or proposals.

d. If a purchase of service is expected to cost more than $150,000, the district will use a formal competitive bidding or proposal process in accordance with these rules and the Attorney General’s Model Public Contract and LCRB Rules.

e. There may be occasions where there is limited competition that can furnish telecommunication services of the quality and extent required by district operations. In such instances, the district will follow this rule and also its rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements, to procure needed services from the sole source.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Routinely, the purchase of telecommunications services will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over $150,000, the district will advertise its need, issue a written solicitation document and invite written bids or proposals to be furnished in response.

There may be circumstances, however, where sufficient competition does not exist in the relevant geographic and service market area. In such cases, the district will follow this rule in determining whether sufficient competition exists to make a competitive procurement.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur. The rule also states the steps to be taken to document situations where sufficient competition may not exist and a sole source purchase needs to be made.
12. Hazardous Material Removal; Oil Cleanup

a. The district may enter into public contracts without competitive bidding, regardless of dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted to the Oregon Department of Environmental Quality (DEQ) under ORS Chapter 466, especially ORS 466.605 through 466.680. In exercising its authority under this exemption, the district shall:

(1) To the extent reasonable under the circumstances, encourage competition by attempting to make informal solicitations or to obtain informal quotes from potential suppliers of goods and services;

(2) Make written findings describing the circumstances that require the cleanup or maintain a copy of the DEQ order for the cleanup;

(3) Record the measures taken under a.1. of this rule to encourage competition, the amount of the quotes or proposals obtained, if any, and the reason for selecting the contractor to whom award is made.

b. The district shall not contract pursuant to this special procurement in the absence of an order from the DEQ to clean up a site which includes a time limit that would not allow the district to hire a contractor under normal competitive bidding procedures. Goods and services to perform other hazardous material removal or cleanup will be purchased in accordance with normal competitive bidding procedures as described in Board policy with this administrative regulation.

Findings of Fact

a. When the DEQ orders a public agency to remove or clean up hazardous material or oil, the public agency must respond within a very short time, which is stated in the DEQ order. This time period does not generally allow the agency to take the time necessary to solicit written bids or proposals for the work to be performed. The district would be liable for any delay in responding to DEQ orders to perform hazardous material removal or cleanup.

b. This exemption will not be used in those situations where there is no DEQ order to remedy the situation. Routine competitive procurement methods will be used where there is no DEQ order to act immediately. The district maintains open lists of vendors who are interested in providing hazardous material removal and cleanup services. Whenever it needs hazardous material removal or disposal, the district makes use of these lists to solicit quotes, bids or proposals as needed, in addition to advertising the procurement as required.

c. Cost savings are achieved through this exemption because the district can be liable for DEQ penalties and fines if it does not timely remove hazardous materials or oil as ordered. There is also serious risk in these situations that property damage or personal injury could result if the district is slow to act.

Conclusions of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279B.085 (3)(a). If it is under DEQ order to act immediately, the district will still attempt to obtain competitive quotes for the work to be performed as it has the ability and time to do so. Unless the district is faced with the quasi-emergency situation of a DEQ order to remove or clean up hazardous waste or oil, it will follow normal competitive procedures to obtain these services.
The award of public contracts pursuant to this special procurement will result in a cost savings to the district in these situation, as required by ORS 279B.085 (3)(b), because the district must comply with the law and avoid and minimize risk to persons and property. Where possible, it will seek competitive quotes for the work to be performed and will award the contract to the lowest, responsive and responsible bidder.

13. Renegotiation of Existing Contracts with Incumbent Contractors

a. The district may amend or renegotiate contracts with existing vendors, service providers or other parties subject to the limitations of this rule.

b. The district has determined that value engineering, specialized expertise required, public safety and technical complexity, generally do not apply to this special procurement procedure.

c. The renegotiated contract falls within a current special procurement procedure, but if not the LCRB must approve a separate special procurement.

d. The district may renegotiate certain terms, but they must not unreasonably alter the scope of the original contract.

Findings of Fact

a. The LCRB may amend contracts when it is in the best interest of the district. The superintendent and/or other designee, acting on behalf of the LCRB, may renegotiate certain provisions, including:

1. Price;
2. Term;
3. Delivery and shipping;
4. Order size;
5. Substitution;
6. Warranties;
7. Online ordering systems;
8. Price adjustments;
9. Product availability;
10. Product quality;
11. Reporting requirements; or
12. Discounts.

Any contract amendment will be supported by legal consideration when necessary to validate the amended provision.

b. The amended terms must be within a reasonable scope of the original contract, but not fundamentally alter the agreement or nature of goods or services. Districts may, however, request functionally equivalent substitutes for goods or services in the original contract.

c. The contract as a whole must be more favorable to the individual needs of the district to justify renegotiation. Cost may be a factor in determining what is a favorable change to the original contract, but the district may use factors other than cost that demonstrate that the amended contract is more favorable to the unique needs of the district.
Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in awarding public contracts because it already exists as a contract awarded in compliance with the district’s special procurement and public contracting code.

The awarding of contracts under this special procurement will result in cost savings to the district when it needs to renew its original contract with vendors, service providers or other parties, or otherwise substantially promote the public interest.

EXEMPTIONS FROM COMPETITIVE BIDDING

All public contracts shall be based upon competitive bids or proposals, except the following:

1. Contracts which have been specifically exempted under ORS 279A.025 and 279C.335; and
2. Contracts covered by the class exemptions in the following set of rules developed pursuant to ORS 279C.335 (2) and (5) and based on Oregon Administrative Rules, Chapter 125, Divisions 46 through 49.

The Board, acting as the LCRB for the district, has made the findings required by ORS 279C.330, ORS 279C.335 and ORS 279C.345, and determined that awarding a contract under this exemption is unlikely to encourage favoritism or substantially diminish competition for the public contract and will likely result in a substantial cost savings and other substantial benefits to the district.

In approving a finding under this section, the local contract review board shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:

1. How many persons are available to bid;
2. The construction budget and the projected operating costs for the completed public improvements;
3. Public benefits that may result from granting the exemption;
4. Whether value engineering techniques may decrease the cost of the public improvement;
5. The cost and availability of specialized expertise that is necessary for the public improvement;
6. Any likely increases in public safety;
7. Whether granting the exemption may reduce risks to the district or the public that are related to the public improvement;
8. Whether granting the exemption will affect the sources of funding for the public improvement;
9. Whether granting the exemption will better enable the district to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;
10. Whether granting the exemption will better enable the district to address the size and technical complexity of the public improvement;

11. Whether the public improvements involves new construction or renovates or remodels an existing structure;

12. Whether the public improvement will be occupied or unoccupied during construction;

13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and

14. Whether the district has or has retained under contract, and will use district personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the district will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

Only these findings are required for each class or individual contract exemption, unless the LCRB specifically excludes a finding or includes an additional finding.

Promulgation of these exemptions can only occur after public notification and a public hearing to receive testimony pertaining to the draft exemptions and findings, pursuant to ORS 279C.335.

1. **Brand Names or Products, “Or Equal,” Single Seller and Sole Source**

   a. The district may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.

   b. The district has determined that value engineering, specialized expertise required, public safety and technical complexity, generally do not apply to this exemption.

   c. Solicitation specifications for public contracts of the district shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections d. and e. of this rule.

   d. The district may specify a particular brand name, make or product suffixed by “or equal,” “or approved equal,” “or equivalent,” “or approved equivalent” or similar language if there is no other practical method of specification after documenting the procurement file with the following:

      (1) A brief description of the solicitation(s) to be covered, including contemplated future purchases;

      (2) Description of the brand name, mark or product to be specified; and

      (3) A brand name specification may be prepared and used only if the district determines for a solicitation or class of solicitations that only the identified brand name specification will meet the needs of the district based on one or more of the following written determinations:

          (a) The use of the brand name specification is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; or

          (b) Specification of the brand name, mark or product would result in substantial cost savings to the district; or

Special Procurements and Exemptions from Competitive Bidding - DJC-AR 19-25
(c) There is only one manufacturer or seller of the product of the quality, performance or functionality required; or
(d) The efficient utilization of existing goods requires the acquisition of compatible goods and services.

(4) The district shall make reasonable effort to notify all known suppliers of the specified product and invite such vendors to submit competitive bids or proposals.

e. The district may purchase a particular product or service available from only one source, after documenting the procurement file with the district’s findings of current market research to support the determination that the product is available from only one seller or source. The district’s findings shall include:

(1) A brief description of the contract or contracts to be covered, including contemplated future purchases;
(2) Description of the product or service to be purchased; and
(3) The reasons the district is seeking this procurement method, which shall include any of the following:
   (a) That the efficient utilization of existing equipment, supplies or services requires the acquisition of compatible equipment, supplies or services; or
   (b) That the goods or services required for the exchange of software or data with other public or private agencies are available for only one source; or
   (c) That the goods or services are for use in a pilot or an experimental project; or
   (d) Other findings that support the conclusion that the goods or services are available from only one source.

(4) To the extent reasonably practical, the contracting agency shall negotiate with the sole source to obtain contract terms advantageous to the contracting agency.

f. The district may specify a product or service available from only one manufacturer but available through multiple sellers, after documenting the procurement file with the following information:

(1) If the total purchase is over $10,000 but does not exceed $150,000, and a comparable product or service is not available under an existing state cooperative purchasing contract, competitive quotes shall be obtained by the district and retained in the procurement file; or
(2) If the amount of the purchase exceeds $150,000, the product or service shall be obtained through competitive bidding unless a specific exemption is granted by the LCRB.

g. If the district intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five years, the district will so state in the solicitation file and in the solicitation document, if any. Such documentation shall be sufficient notice as to subsequent purchases. If the total purchase amount is estimated to exceed $100,000, this shall be stated in the advertisement for bids or proposals.
Findings of Fact/Conclusion of Compliance with Law

It is unlikely that this process will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts, as required by ORS 279C.335 (2)(a).

This class exemption applies only to contracts under a limited dollar amount, and then, only after efforts to obtain competitive quotes are made, or other methods have been employed to ensure that competitive means are used if available. The district maintains open lists from which vendors are contracted for quotations. In addition, as required by ORS 279C.335 (2)(b) award of a public contract subject to the above described exemption should likely result in substantial cost savings or other substantial benefits to the district by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost.

2. Product Prequalification

a. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the district may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:

   (1) The district will make reasonable efforts to notify all known manufacturers and vendors of competing products of the district’s intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the district’s list of prequalified products. At its discretion, the district may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the district may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the district; and

   (2) The district will accept manufacturer and vendor applications to include products in the district’s list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the district’s written notice.

b. The district has determined that special expertise required, generally, does not apply to this rule.

c. If the district denies an application for inclusion of a product on its list of prequalified products, the district shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a written appeal within seven calendar days to the district business manager or chief financial officer to request review and reconsideration of the denial.

Findings of Fact

a. There are occasions when the district needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The district may have a specific performance or design need, but it is impractical for the district to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex.
and constantly changing. It would be very burdensome and time consuming for the district to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the district’s specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and district programs, because staff are not able to order the equipment they need until the contract is awarded.

In this case, it might be more cost effective and efficient for the district to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

b. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the district must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.

c. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The district maintains vendor mailing lists which are open to all interested vendors. The district uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.

d. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.

e. Subsection c. of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

Conclusion of Compliance with Law

Where prequalification of products is appropriate, it is unlikely that this exemption will encourage favoritism in the awarding of public contracts or diminish competition for such contracts as required by ORS 279C.335 (2)(a). There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.

The prequalification of products process is a time-consuming effort for the district. It is not a shortcut procurement method. The district would use this method only after balancing cost-saving considerations, such as the ability of the district to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to contract award. If the prequalification method is chosen, it will likely result in a substantial cost savings and other substantial benefits to the district as required by ORS 279C.335 (2)(b) because the normal method of product selection is too cumbersome and costly to pursue.
3. Requirements Contracts (Blanket Purchase Orders, Price)³

a. The business manager or chief financial officer, on behalf of the district, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining district requirements for volume discounts, standardization among schools and departments and reducing lead time for ordering.

b. The district has determined that value engineering, specialized expertise required and technical complexity, generally, do not apply to this rule.

c. The district may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.

d. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.

e. Schools and departments shall use requirements contracts established by the district, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.

f. Under the authority of ORS 279A.025 and 279C.335, the district may use the requirements contract entered into by another Oregon public agency when:

   (1) The original contract met the requirements of the public contracting code; and
   (2) The original contract allows other public agency usage of the contract; and
   (3) The original public contracting agency concurs and this is documented by a written interagency agreement between the district and the agency.

g. The term of any district requirements contract, including renewals, shall not exceed five years unless otherwise exempted pursuant to ORS 279C.335.

Findings of Fact

a. This rule permits the district to enter into requirements contracts, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or services are routine and repetitive. For example, school, building, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.

b. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among school, buildings and departments and reducing lead time for ordering.

c. The district establishes requirements contracts as a result of open competitive bidding or RFP processes, unless otherwise exempted.

³The Oregon Procurement Information Network (ORPIN) allows authorized members to utilize the state’s price agreement/contracts to purchase goods and services. Authorized ORCPP members can legally attach to a state price agreement and forego the competitive bid process. Access to hundreds of competitive price contracts for a wide variety of goods and services: vehicles, computers, furniture, copiers, fax machines, travel, pharmaceuticals, office products, etc. is available.

Special Procurements and Exemptions from Competitive Bidding - DJC-AR

23-25
d. The district limits the term of requirements contracts, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise exempted.

e. The district may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this exemption will result in favoritism in the awarding of public contracts or diminish competition for such contracts, as required by ORS 279C.335 (2)(a). The district will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of district requirements contracts will likely result in a substantial cost savings and other substantial benefits to the district, as required by ORS 279C.335 (2)(b). It would be costly and inefficient to make routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the district to get better prices from bidders.

4. Waiver of Bid Security Requirements (Public Improvement Contracts under $100,000)

The LCRB may, at its discretion, waive the bid security requirements of ORS 279C.390, if the amount of the contract for the public improvement is less than $100,000. Although the bid security requirements of ORS 279C.390 are waived for public improvement contracts under $100,000, the district may impose a bid or quote security requirements for projects under $100,000, when deemed to be in the best interest of the district.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive bid security requirements for certain public improvement contracts. Waiver of the bid security is provided for by statute without a requirement for findings.

5. Waiver of Performance and Payment Security Requirements (Public Improvement Contracts under $100,000)

The LCRB may, at its discretion, waive the performance/payment security requirements of ORS 279C.390 if the amount of the contract for the public improvement is less than $100,000. Although the performance/payment security requirements of ORS 279C.390 are waived for public improvement contracts less than $100,000, the district may impose a performance/payment security requirement for projects less than $100,000 when deemed to be in the best interest of the district.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive performance/payment security requirements for certain public improvement contracts. Waiver of the performance/payment security is provided for by statute without a requirement for findings.
6. Projects with Complex Systems or Components

a. For contracts for public improvements with significant components that are inherently complex and are also complex to procure through competitive bid, the district may, at its discretion, use RFP competitive procurement methods subject to the conditions described in ORS 279C.400 and conditions enumerated in this exemption.

b. Definitions. For purposes of this exemption only: “Complex Systems” are defined as those systems which incorporate the procurement of materials or other components which are difficult, if not impossible, to create in an “equal” specifications basis for competitive bid. Examples of such systems include but are not limited to, contracts for supplying and installing computerized controls for building heating, venting, air conditioning systems; and contracts for artificial surface outdoor multipurpose athletic fields. “Significant” is intended to mean something more than de minimus, but not necessarily the majority of the project as determined by cost.

Finding of Fact/Conclusion of Compliance with the Law

It is unlikely that this exemption will encourage favoritism in the awarding of the public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). Contracts for public improvements occasionally incorporate the procurement of systems, materials, or other components (complex systems) for which it is extremely difficult to design bid specifications. In these situations, utilization of an RFP process where each of the systems can be evaluated utilizing a number of factors, in addition to price, will likely result in substantial cost savings and other substantial benefits to the district as required by ORS 279C.335 (2)(b).

ORS 279C.400 enumerates how RFP’s are to be used if authorized by the LCRB. This criteria, ensures that competitive means will be used and selection will be fair and impartial. As a result, it is unlikely that this process will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). The awarding of contracts pursuant to this process will result in optimal value to the district based on selection by the district of the best competitive proposal that meets the stated evaluative criteria.

This class exemption is intended to be used for the types of procurements describe in the findings, where the specific system, materials or components represent a significant portion of the project. This class exemption is not intended to be used for construction manager/general contractor (CM/GC) projects or other methods of alternative procurement unless these projects meet the requirements of this class exemption. The CM/GC and others, not meeting the requirements of this class exemption, may still be procured by RFP, provided that a project or contract specific exemption is promulgated by the LCRB.