

**RESOLUTION NO. 03-5**

**RESOLUTION CREATING A PUBLIC CONTRACT REVIEW BOARD FOR  
LA PINE SPECIAL SEWER DISTRICT**

**WHEREAS, Oregon Revised Statute (ORS) 279.055, allows a local public agency to adopt a resolution creating its governing body as a local contract review board for the public agency; and**

**WHEREAS, ORS 279.049(5) permits a local contracting agency to opt out of all or some of the Attorney General=s Model Rules; and**

**WHEREAS, pursuant to ORS 279.011(5), the District Board makes the following findings supporting the exemption of contracts under \$75,000 from competitive bidding requirements:**

**A. Operational, budget, and financial data: The formal competitive bidding process costs between \$5,000 to \$7,000 to conduct and adds significant additional time delays. The Board finds that applying the formal process to public improvement contracts that do not exceed \$75,000 is not cost effective and can discourage smaller companies from submitting formal bids, reducing competition;**

**B. Public benefits: Exempting contracts that do not exceed \$75,000 will save public funds and enable greater competition;**

**C. Value engineering; Specialized expertise required; Technical expertise; Funding sources: These considerations are irrelevant to this particular class exemption;**

**D. Public safety: Exempting contracts that do not exceed \$75,000 will enable the District to more quickly correct minor safety hazards; and**

**E. Market conditions: Increases in construction, materials, and service costs require an increase in the threshold for competitive bidding; and**

**WHEREAS, the District Board additionally finds:**

**A. Any exemptions from competitive bidding requirements allowed under the following rules will not encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts because such exemptions still require alternative contracting procedures which ensure: (1) reasonable competition; (2) the best contract price for the public; and (3) a cost-effective process for contractors;**

**B. The awarding of public contracts pursuant to any such exemptions will result in substantial cost savings to the public contracting agency because the District will avoid costs**

associated with unnecessary documentation and procedures, where it is unmerited by the relatively low cost of the project; and

C. Such exemptions have been adopted by the State of Oregon Department of Administrative Services (DAS), pursuant to its authority to act as the public contract review agency for the State of Oregon, and the Board relies on the DAS analysis and findings.

NOW, THEREFORE, IT IS RESOLVED that the Board of Commissioners of La Pine Special Sewer District hereby creates itself as the local Public Contract Review Board to act on all such matters on behalf of La Pine Special Sewer District.

IT IS FURTHER RESOLVED that the above recitals are adopted as findings of fact by the District.

IT IS FURTHER RESOLVED that the Office Administrator is instructed to file a copy of this Resolution with the Board of County Commissioners, Deschutes County, Oregon.

IT IS FURTHER RESOLVED that, in lieu of the Attorney General=s Model Public Contracting Rules and in accordance with ORS 279.049, and until modified by this Board, the following rules, attached hereto and incorporated herein by this reference, shall be the rules of operation for the Public Contract Review Board: C-1 to C-30, 137-030-0000 to 137-030-0155, and 137-040-0000 to 137-040-0590. Such rules are attached to this resolution and incorporated by this reference.

IT IS FURTHER RESOLVED that all exemptions to the rules, except for public improvement contract exemptions, and new rules shall be adopted after a public hearing of the Public Contract Review Board. The subject matter of the request for exemption or new rule and hearing information, including date, time, and place of the hearing, shall be published in a newspaper of general circulation not less than three (3) nor more than fifteen (15) days prior to the date of the public hearing. Additionally, a notice of the hearing shall be posted on the main entry door of the building where the meeting will be held not later than three (3) days prior to the date of the meeting. Public improvement contract exemption procedures, including notice and public hearing requirements, shall be in accordance with ORS 279.015(3).

IT IS FURTHER RESOLVED that, except as otherwise prescribed by ORS 279.057(9), pursuant to ORS 279.051, procedures for the screening and selection of persons to perform personal services shall be determined by the Public Contract Review Board each time the District requires such services, in order to meet the District=s particular contracting needs.

IT IS FURTHER RESOLVED that, pursuant to ORS 279.057(9), whenever the District is selecting engineers, architects, or land surveyors for a project funded by a grant or loan from the State or moneys from the State Highway Fund under ORS 366.525 or 366.800, and:

- 1) The total amount of any grants, loans or monies from the State Highway fund and from the State for the project exceeds 35% of the value of the project; and

2) The value of the project exceeds \$400,000,

then the applicable provisions of the Attorney General=s Model Rules, Chapter 137, Division 35 of the Oregon Administrative Rules, will govern that selection process.

IT IS FURTHER RESOLVED that any and all resolutions or rules previously adopted by the District and inconsistent with this resolution are hereby repealed.

DATED this 14th day of August, 2003.

Chairman, Board of Directors

ATTEST:

Secretary, Board of Directors