

# Memorandum

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**To:** Dr. Cox  
**From:** Mike Tribe  
**Date:** 2/16/2016  
**Re:** Issue Presented: Whether the School District is required to bid or develop a RFP for purchasing or renewing insurance.

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It is my understanding that the District is currently insured through Moreton & Company and deal primarily with Alan Ranstrom for our insurance needs and have done so for several years.

The general rule in Idaho for purchasing services or personal property is found in Idaho Code § 67-2806 and states in part “when a political subdivision contemplates an expenditure to purchase or lease personal property or to procure services other than those excluded valued in excess of \$25,000, but not to exceed \$50,000” the solicitation for bids shall be supplied to no fewer than three (3) vendors by written means either by electronic or physical delivery and the low bid is taken. Furthermore, when a political subdivision contemplates an expenditure to purchase or lease personal property or to procure services, other than those exempt under Idaho Code § 67-2803 and they are valued in excess of \$50,000, the competitive sealed bid process must be followed and two (2) notices soliciting bids must be published in the official newspaper of the political subdivision.

Idaho Code §67-2803 lists the exemptions to the bid laws. The relevant subsections are § 67-2803(4) which lists as an exclusion the “procurement of personal or professional services to be performed by an independent contractor for the political subdivision.” Based on how we contract with insurance, I believe that would meet the requirements of subsection (4) but more clear and important is subsection (6) that simply states that an exclusion to the procurement requirements exists for “procurement of insurance.”

The plain meaning of subsection (6) would indicate that we do not need to go out to bid or request an RFP for insurance purposes and the Board can continue with its current insurance provider or seek bids from others as they wish. As always, the Board should be guided by the best interests of the District.