

August 12th Board Update
Bond Issue & Investments
OSCIM Grant
Purchasing Policy

Bond Issuance

- The District recently sold its \$73.3 million voter-approved bond issue.
- The sale went extremely well with 7 times more orders than available bonds for sale.
- The District will receive approximately \$5.45 million in additional proceeds that can be used on projects in accordance with the voter-approved ballot title. These funds will be treated as contingency for cost increases and/or unexpected costs such as repairing dry rot or other currently unknown costs.
- Combined with the \$6 million OSCIM grant from the state, the District will have over \$84.2 million to spend on projects.
- The stellar results were due in large part to the District's receipt of an excellent credit rating level of "Aa3" from Moody's Ratings.
 - In their rating summary, Moody's noted "the district's large and growing tax base with strong full value per capita levels, reflecting a large number of second homes in the area."
 - Further, Moody's called out the District's strong financial practices, noting "the district's financial position is solid and expected to remain stable over the near term, supported by prudent budget management."
- The issue is expected to close and the district will receive funds on August 13th.

Investment of Bond Proceeds

- The District has engaged Piper Sandler's investments team to provide professional guidance to the Business Director on investing our bond funds. They have a long standing exemplary relationship managing Oregon School District bond proceeds.
- The District has opened a new Bond Local Government Investment Pool Account and a new Bond Money Market account with Oregon Coast Bank to keep all bond funds separate from other funds.
- All bond proceeds will be deposited into the OCB Money Market account on August 13th.
- Some proceeds will be held at OCB and some will be transferred to the Bond LGIP account to have cash available for the projects that are currently underway.
- The remainder of the proceeds will be invested in US Treasury Bill, Notes or Bonds with anticipated quarterly maturities which will be deposited into the OCB Money Market or LGIP accounts to pay ongoing project expenses.
- The Business Director will maintain oversight of the Bond investments and available cash. The Bond Office staff will focus on expenditure tracking and reporting.

Oregon School Capital Improvements Matching (OSCIM) Grant - \$6,000,000

- Bond issue must be complete before moving forward with the grant
- The spending plan for the grant must be complete before the agreement can be signed
- Requires Bond proceeds to be spent prior to reimbursement (\$12,000,000 total)
- We'll likely use some of the larger projects that are easier to invoice as they require detailed documentation of each expense

Purchasing Requirements & Board Approvals
(ORS 279, Board Policy DJA)
[District Procurement Policy DJA](#)

School Level Approval			Business Office Approval		Board Approval
Under \$25	\$25 - \$500	Up to \$1,500	\$1,500 - \$25,000	\$25,000 - \$250,000	\$250,000+ or \$100,000+ for Public Improvement Projects
Petty Cash	Purchase Order or Field PO	Purchase Order (PO)	Purchase Order (PO)	Co-op Contract or 3 Bids	Request for Proposal (RFP)

All Public Contracts shall be based on Formal Competitive Bids (Request for Proposal-RFP) EXCEPT:

- Purchases of goods/services or labor/materials under \$25,000.
- Public Improvement Project contracts (goods/services or labor/materials) between \$25,000 and \$100,000 with a minimum of 3 quotes.
- Contracts for goods/services or labor/materials between \$25,000 and \$250,000 with a minimum of 3 quotes.
- Cooperative contracts established by a competitive bidding process which state that local governments or public school districts may participate in the contract.
 - LCSD is part of several Cooperatives that hold K-12 eligible contracts:
Oregon Buys/ORCPP, Sourcewell, Intermountain ESD, TIPS, OMNIA, KCDA, OETC
- Contracts for advertising
- Contracts with other public or federal agencies
- Personal Services Contracts:

Accountant	Architect	Appraiser or Surveyor
Attorney	Engineer	Photographer
Consultants	Land Use Planning Consultant	Artist
- Contracts for purchase of services, equipment or supplies for maintenance, repair or conversion of existing equipment.
- Contracts for equipment repair or overhaul when cost can't be determined prior to testing. If over \$25,000 reasons must be documented if impractical to get competitive bids or quotes.

Exceptions from RFP Continued:

- **Contract Amendments, Change Orders, Extra Work, Field Orders or other changes to original contract**
 - If original contract used competitive bidding
 - **and** established a price for additional work
 - **and** the contract covers the terms and conditions of the additional work
 - **Or** the total increase is less than:
 - 10% of an original contract over \$100,000
 - 20% of an original contract under \$100,000
- **Sole Source Procurements**

The Board may declare goods/ services or classes of goods/services as sole source procurements and award contracts without competitive bidding for any or all of the following reasons:

- Efficient utilization of existing goods requires the acquisition of compatible goods/services
- Goods/services required for software/data exchanges are available only from one source
- Goods/services are for a pilot or experimental project
- Emergency condition exists making multiple quotes/bids impractical
- Only one source meets the quality or specifications required of the goods/services
- Will result in substantial costs savings to the district
- Other findings supporting the conclusion that goods/services are available from only one source

Written determination must be published at least once in a newspaper of general circulation in the area or published electronically if that is likely to be more cost-effective.

- Board approval should occur 14 days after publication of the notice to allow for protests
- To extent reasonably practical, price shall be negotiated to obtain advantageous contract terms.

- **Special Procurements (not for public improvement contracts)**

The Board may approve a special procurement if it finds that a written request demonstrates that the use of a special procurement as described in the request, or an alternative procedure prescribed by the Director or Board will:

- Result in substantial cost savings to the district or public, or will
- otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the requirements for small, intermediate or large procurements.

Requirements for all Purchases made without an RFP:

- Award shall be based on which best serves the needs of the District taking into account:

Price	Experience/specific expertise	Contractor Responsibility
Availability	Project understanding	Contractor capacity
- If quotes are required, documentation must be maintained and available for inspection
 - If not awarded to the lowest quote, document the reasons
 - If fewer than 3 quotes are available, efforts to obtain the third must be documented

Formal Competitive Bids

Request for Proposals (RFP)

- Required for Public Improvement contracts/purchases over \$100,000
- Required for all other contracts/purchases over \$250,000
- Must contain clear description of contractual requirements and the timeline for award
- Must contain evaluation criteria to be used for awarding the contract, including but not limited to:

Cost	Quality Service	Compatibility
Product reliability	Operating efficiency	Expansion potential
Availability of repair service	Local expertise	Proximity to Project
- Must clearly state the complaint process and available remedies
- Must clearly state provisions for vendor comment on specifications which they feel limit competition
- Must be posted for a specified number of days (5-30 days depending on complexity/cost of contract) in a publication of general circulation in the area of the project.
 - This is typically Oregon Buys and/or the DJC (Daily Journal of Commerce) and may include other publications such as local newspapers.
- An RFP may be protested not less than 10 days prior to closing of submissions

Bidder Disqualifications:

- Insufficient financial ability, equipment or personnel to perform the contract
- Contractor has repeatedly breached contractual obligations to public or private contracting agencies
- Any bid may be rejected for noncompliance with public bidding procedures/requirements
- May reject all bids if in the public interest
- May withdraw any solicitation for good cause, reasons for cancellation shall be kept as a public record.
- Disqualified bidders shall be notified in writing and may appeal to the Supt/Facilities Director within 3 days after receipt of the notice
 - If appealed, notice shall be given to the Board along with the supporting documentation.
 - Meetings for appeals may be held on 5 days' notice to members
 - 3 Board members are a quorum for this purpose
 - Disqualification may be revoked by Supt/Facilities Director any time prior to the board meeting

Award Protests and Review

- Affected persons must file a written protest to the Board before seeking judicial review.
 - Must be a person eligible for award of the contract as the responsible bidder submitting the lowest or best responsive bid or proposal and is the next in line for award.
 - Within 7 days after the first date of public notice of the approval, unless a different protest period is provided in the public notice of the approval.
 - Must include detailed statement of legal and factual grounds for the protest, a description of the resulting harm to the affected person, and the relief requested.
- Protests received after 7 days shall not be considered.
- The Board shall issue a written disposition of the protest in a timely manner
 - The Board may uphold the protest in whole or part and may, in its sole discretion, implement the sustained protest of the award or revoke the approval for the award.