Regular Meeting
Tuesday, January 9, 2024 6:00 PM

Dr. Matthew Prophet Education Center - Board Auditorium
501 N. Dixon St
Portland, OR 97227

Agenda

1. **6:00 pm - Opening**
2. **6:05 pm - Franklin High School Jazz Quartet**
3. **6:15 pm - Board Leadership - Resolutions 6824 and 6825** *Vote - Public Comment Accepted*
4. **6:20 pm - Student Representative's Report**
5. **6:25 pm - Student Comment**
6. **6:40 pm - Dual Language Immersion (DLI) Residencies Trips**
7. **7:00 pm - Annual Comprehensive Financial Report (ACFR) - Resolution 6812** *Vote - Public comment accepted*
8. **7:20 pm - Amendment No. 1 to the Fiscal Year 2023-24 Budget for School District No. 1J, Multnomah County, Oregon - Resolution 6813** *Vote - Public comment accepted*
9. **7:40 pm - Second Reading of Policy Rescissions and Revisions- Resolutions 6814-6817** *Vote - Public comment accepted*
   - 9.(a) Resolution 6814: Rescission of the Strategic Plan Policy 0.01.010-P
   - 9.(b) Resolution 6815: Revisions of the District Performance Auditing 1.60.040-P
   - 9.(c) Resolution 6816: Revision of the Student Enrollment and Transfers Policy 4.10.051-P
   - 9.(d) Resolution 6817: Adoption of the Religious and Cultural Observances Policy x.xx.xxx-P
10. **7:50 pm - Public Comment**
11. **8:05 pm - Board Committee Conference Reports and Superintendent Search Update**
12. **8:20 pm - Implementation of Math Curriculum Update**
13. **8:40 pm - Integrated Grant Application**
14. **8:50 pm - 2024-2025 Calendar Discussion**
15. **9:00 pm - Southeast Guiding Coalition Update**
16. **9:20 pm - First Reading of Policies**
    - Conflict of Interest
    - Purchasing and Contracting Rules
17. **9:25 pm - Consent Agenda - Resolutions 6818-6823** *Vote - Public comment accepted*
    - 17.(a) Resolution 6818: Adoption of the Index to the Minutes
    - 17.(b) Resolution 6819: Expenditure Contracts
    - 17.(c) Resolution 6820: Revenue Contracts
    - 17.(d) Resolution 6821: Authorization of Off-campus Activities
    - 17.(e) Resolution 6822: Appointment of Custodial Civil Service Board Member
    - 17.(f) Resolution 6823: Appointment of Community Budget Review Committee (CBRC) Student Representative Members
18. **9:30 pm - Comments from Union Partners**
19. **9:40 pm - Other Business/Committee Referrals**

20. **9:45 pm - Adjourn**

RESOLUTION No. 6824

Election of Board Chairperson

Director Gary Hollands is hereby elected Chairperson of the Board for the period beginning January 9, 2024, until his successor is elected.

RESOLUTION No. 6825

Election of Board Vice-Chairperson

Director Herman Greene is hereby elected Vice-Chairperson of the Board for the period beginning January 9, 2024, until his successor is elected.

PPS Dual Language Immersion Research Residency Programs

Andrew Pan, Tubman Middle School
Kojo Hakam, Harrison Park Middle School
Matt Bacon-Brenes, Tabor Middle School
Yuuki Sakai, Tabor Middle School
Lien Tran, Roseway Heights Middle School

A Research Residency - Not a “Trip”

The Research Residency Programs...

- Do not take students “out of school”
- Are not “field trips”
- Are not “extracurricular activities”
- Ensures every student in the program can participate, regardless of economic background/circumstance

Putting the Immersion in DLI

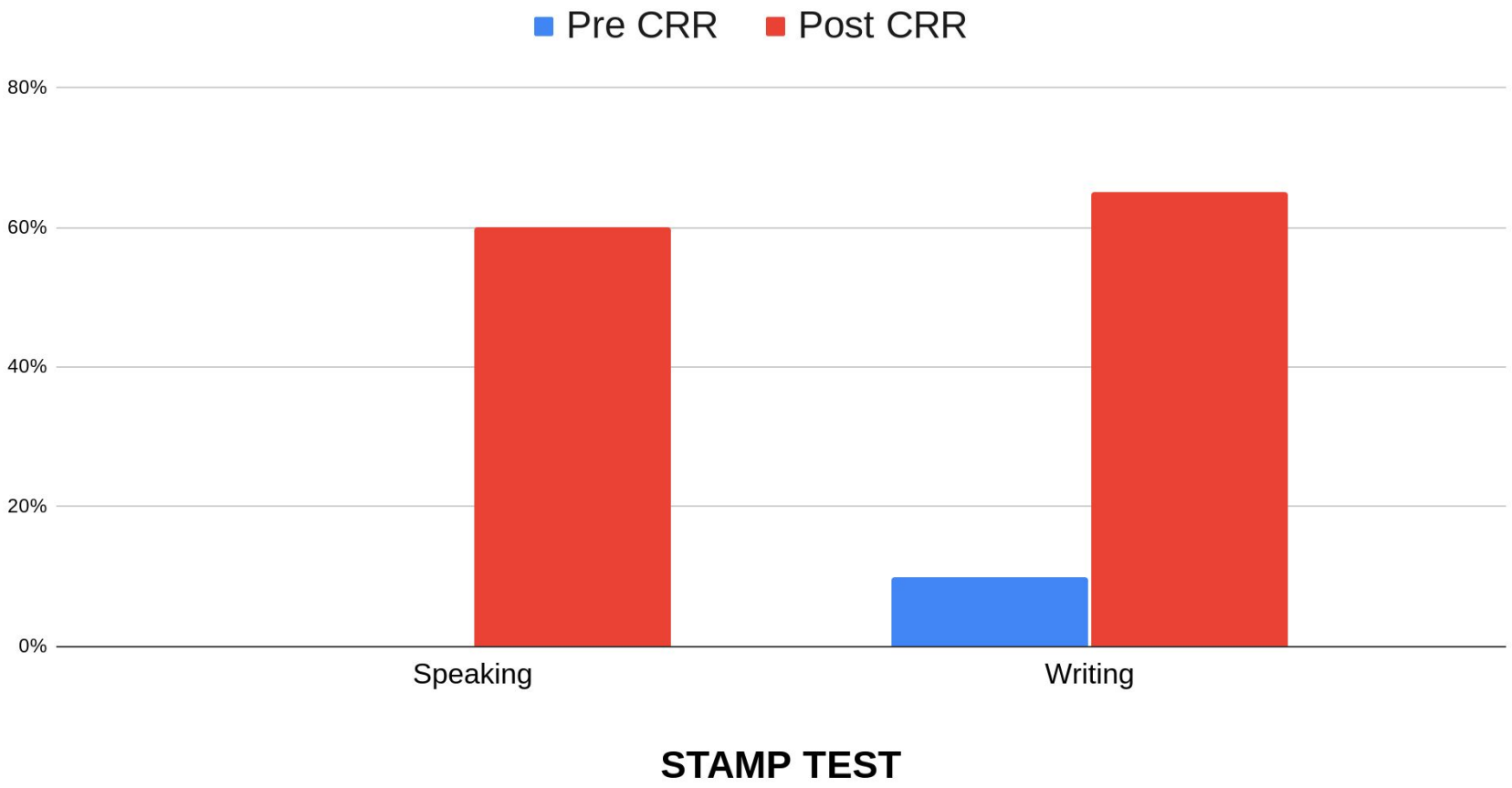
- Two-week intensive in-country Immersion Programs
- Tied to the course curriculum
- Tied to language and content standards
- Cross-Curricular: math, science, language arts, P.E., etc.

I hear and I forget. I see and I remember. I do and I understand.

- Confucius

2006 JRR Participant: Yuuki Sakai

Pre CRR and Post CRR Percentage of students meeting or exceeding Benchmarks



Student Voices

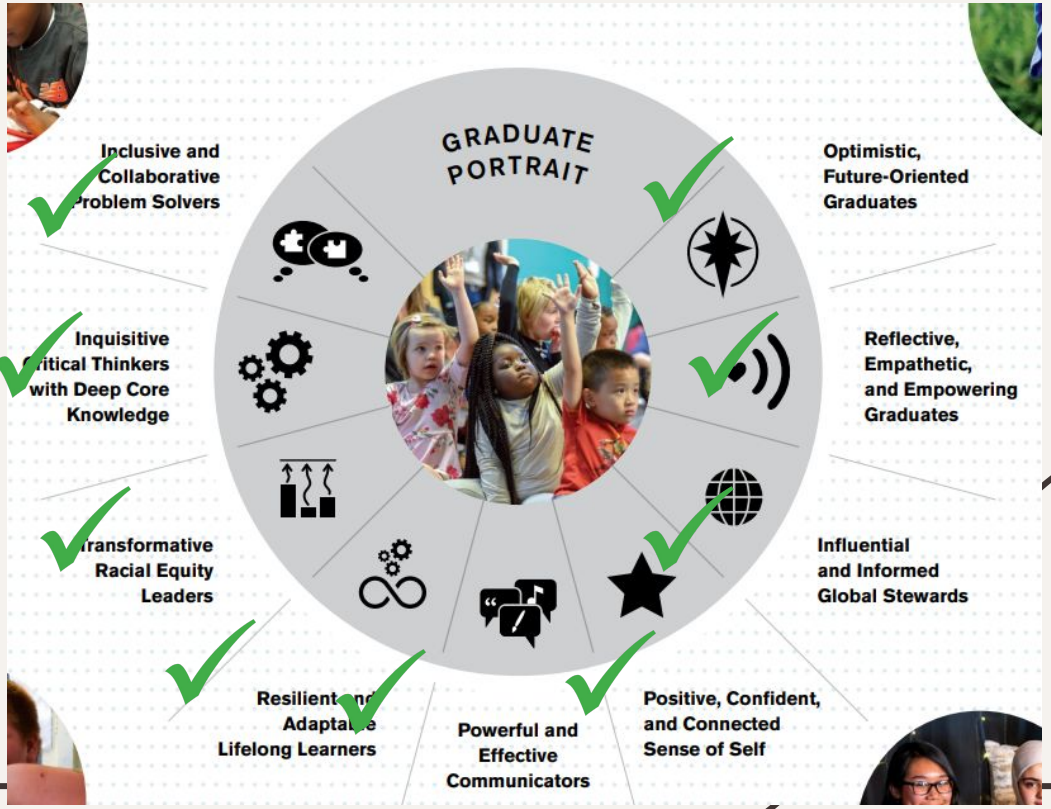
...viewing China first-hand showed me the growing importance of China in today's world and the role the Chinese language will play in global affairs. ...the opportunity to engage with China [on the research residency] has opened many doors, both academic and professional, in my life.

- Ben DoVale , 2008 CRR student, 2012 UO Chinese Flagship Scholarship Recipient
- 2016 Boren Scholarship Recipient
- 2016-17 Johns Hopkins School of Advanced International Studies Nanjing, China

We’d love to answer any questions you have about our **Research Residencies**.

Research Residency:
Aligned with the PPS Graduate Portrait

- Student-driven intercultural inquiry
- Field research on expert topic
- Individual student choice
- Collaborative study groups
- Target language interviews & surveys
- Project-based, formal capstone



Influential and Informed Global Stewards

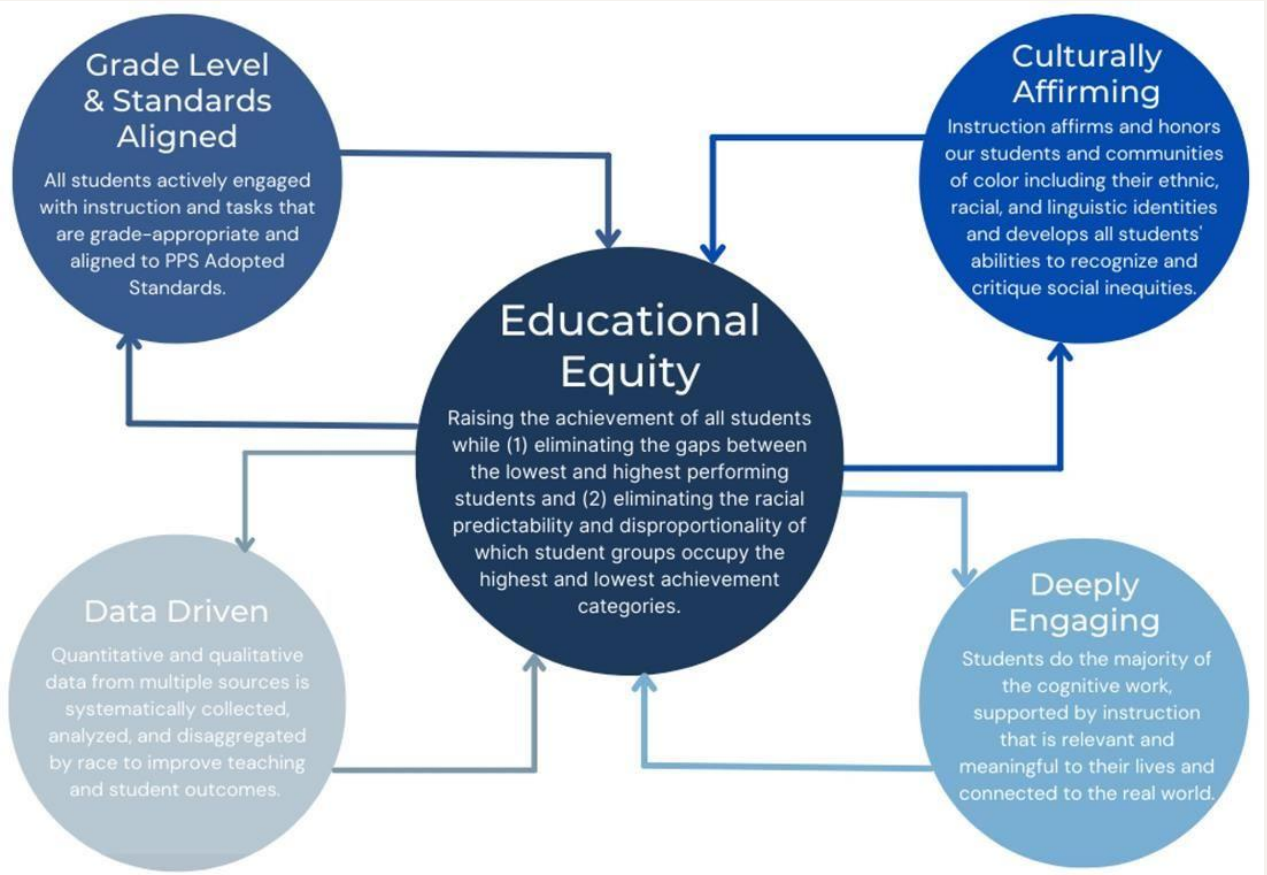
- They are fluent in more than one language
- Students are prepared to work and live in a global environment, through **strong multilingual and multicultural opportunities**

Resilient and Adaptable Lifelong Learners

- They can **embrace discomfort and navigate persistently through failure to success** by adapting themselves to the environment or changing it.
- **They have a growth mindset**, knowing that new knowledge and skills are always possible, and they see mistakes and failures as learning opportunities

Powerful and Effective Communicators

- They understand the **importance of culture, time, place, and context in developing appropriate methods of communication** and can adapt the ways they communicate to various situations.



Deeply Engaging

- Students do the majority of the work
  - **Cognitive load is on them**
- Instruction that is **relevant and meaningful** to their lives and **connected to the real world**

Conclusion - Why do we fall under exceptional circumstance?

- Students are in school during the research residency
- The Exposure Myth
- PPS Graduate Portrait and a holistic student/holistic student experience
- Makes the learning impactful, meaningful and empowering (experiential learning)
    - We are unable to get an experience like this anywhere in the US for LCTL
- Part of their core curriculum - Capstone Projects
- "*Life-Changing*" Experience

RESOLUTION No. 6812

Acceptance of the Annual Comprehensive Financial Report, Reports to Management and the Report on Requirements for Federal Awards

RECITALS

A. The Board of Education is committed to accountability for how Portland Public Schools spends its tax dollars and other resources, and recognizes that transparency, accuracy, and timeliness in financial reporting are important components of financial accountability.

B. The District Auditor, Talbot, Korvola & Warwick, LLP, has completed their independent audit of the financial reporting for the year ended June 30, 2023, and provides assurance that the District's accounting and reporting are in compliance with generally accepted accounting principles.

RESOLUTION

The Board of Education accepts the Annual Comprehensive Financial Report, Reports to Management, and Report on Requirements for Federal Awards of School District No. 1J, Multnomah County, Oregon for the fiscal year ended June 30, 2023, and authorizes the reports to be distributed to required state and federal agencies and filed for future reference.

School District No. 1J, Multnomah County, Oregon

PORTLAND PUBLIC SCHOOLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2023

Portland Public Schools

Annual Compehensive Financial Report

For the year ended June 30, 2023

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Finance Department

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

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Financial

Jefferson Dancers November 2022

Access Academy 1st day of School Aug 2022

Myong Leigh
Interim Deputy Superintendent
Business & Operations

PORTLAND PUBLIC SCHOOLS
501 N. Dixon, Portland, OR 97227
Phone: (503) 916-3115 • Fax: (503) 916-2125

December 21, 2023

To the Community of School District No. 1J, Multnomah County, Oregon, and to the Members of the Board of Education:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2023, together with the audit opinions of our auditors as required by Oregon Revised Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the financial statements and related information reflecting the financial position and results of the operations of the District are stated fairly in all material aspects. All disclosures necessary to enable the reader to gain understanding of the District's financial affairs have been included.

To provide a reasonable basis for making these representations, District management has established and maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Our internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic evaluation by management. We believe our internal control structure adequately safeguards the assets and provides reasonable assurance of proper recording of all financial transactions. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Financial Report Presentation

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are discussed in Note 1 of these financial statements.

Designed to meet the needs of a broad spectrum of financial statement readers, this Annual Comprehensive Financial Report (ACFR) is divided into four major sections:

The ***Introductory Section*** includes the table of contents, this transmittal letter, the District's organizational chart, and copies of certificates awarded for Portland Public Schools' fiscal year 2021-22 ACFR.

The ***Financial Section*** includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information (RSI), and supplementary information including major fund financial statements.

The ***Statistical Section*** includes selected financial and demographic information, generally presented on a multi-year basis. These schedules are designed to improve the understandability and usefulness of the information presented in the financial section.

The ***Audit Comments and Disclosures Section*** includes disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

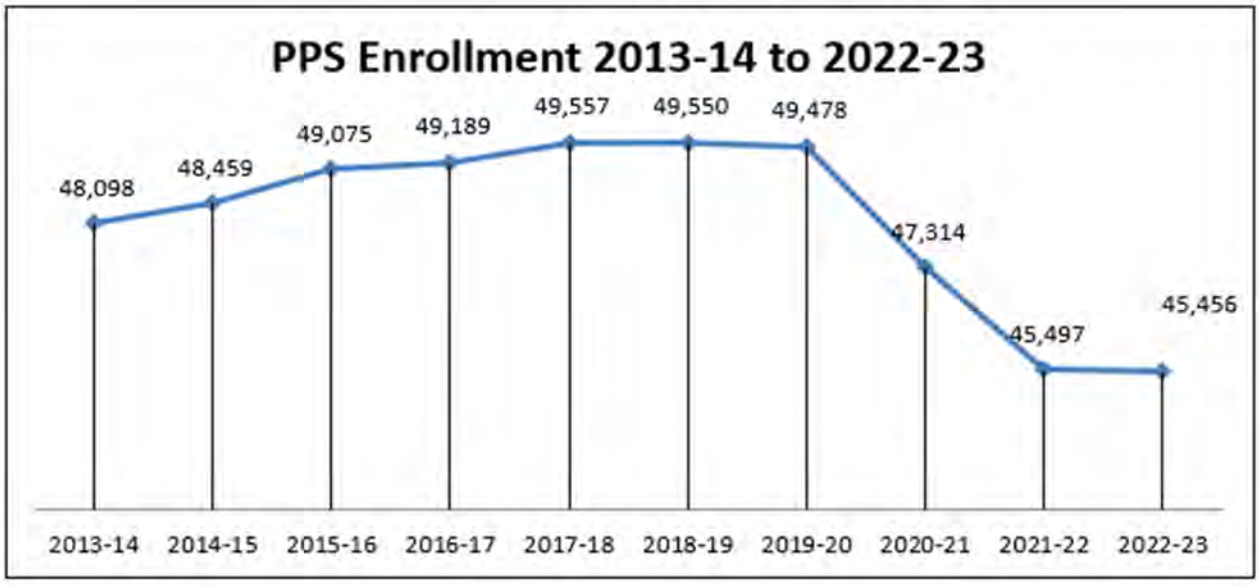
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the District

Portland Public Schools, founded in 1851, is a PK-12 urban school district in Portland, Oregon. The District has no component units and is not a component unit of any other government. With more than 45,000 students in 113 schools and other programs, it is one of the largest school districts in the Pacific Northwest, and the largest and oldest school district in Oregon. With highly trained teachers and staff, an engaged parent community, strong partnerships, and a focus on closing the racial educational achievement gap, the PPS graduation rate has consistently improved since 2009-10. Thanks to Portland voters, school improvement general obligation bonds are fueling the modernization of our aging school buildings for 21st century learning.

The District covers an area over 152 square miles, including portions of the cities of Portland (total population 635,067), Lake Oswego (total population 40,108), and Milwaukie (total population 21,375), based on 2022 estimates by the U.S. Census Bureau Population Estimates Program (PEP). The District maintains over 100 campuses with more than 300 buildings and a total floor area of nearly 10 million square feet. The median age of PPS school buildings is 84 years for elementary schools, 84 years for middle schools, and 97 years for high schools. Please see Schedule 17 of the Statistical Section for additional details of each building's size, age and enrollment.

Student enrollment as of October 2022 was 45,456. Enrollment counts are compiled annually on or about the first of October as required by the State of Oregon. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are not duplicated.



Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - https://www.pps.net/Page/942

October 2022 Portland Public Schools Student Enrollment (by Program Type)			
Program Type	**Number of Schools/Programs**	**Enrollment**	**Distribution**
Regular Schools and Programs			
Elementary Schools	57	20,881	45.94%
Middle Schools	14	7,464	16.42%
High Schools	9	13,125	28.87%
Subtotal - Regular Schools	80	41,470	91.23%
PPS Alternative Programs	5	1,553	3.42%
Subtotal - Schools and Alternative Programs	85	43,023	94.65%
Community-Based Programs	8	683	1.50%
Special Education Programs	15	456	1.00%
Public Charter Programs	5	1,294	2.85%
Grand Total	113	45,456	100.00%

Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - https://www.pps.net/Page/942

The District continues to experience enrollment decline from a high of 49,557 in fiscal year 2017-18 to 45,456 in fiscal year 2022-23. Demographic studies conducted by Portland State University (PSU) project enrollment levels to continue to decrease. The PSU "Middle Series Forecast" scenario estimates enrollment reaching a low of 39,129 in fiscal year 2032-33. Overall enrollment impacts due to the COVID-19 pandemic are only just beginning to be seen and the long-term implications are yet to be fully understood. Additional detail regarding enrollment projections may be found at: https://www.pps.net/Page/1834.

The Board of Education

An elected seven-member board establishes and oversees the District's policies. The Board of Education is the chief governing body and is exclusively responsible for its public decisions. A list of board members can be found on page 9 of this report. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board of Education is accountable for all fiscal matters that significantly affect operations. Guadalupe Guerrero is the Superintendent of Portland Public Schools. Mr. Guerrero served as the chief administrative officer of the district for all of fiscal year 2022-23.

Budgetary Controls

Under Oregon Revised Statutes (33.710), school districts are municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. Portland Public Schools fulfills this responsibility by building, operating, and maintaining school facilities, developing and maintaining approved educational programs and courses of study (including career/technical educational programs and programs for English language learners and special-needs students), and providing for transportation and feeding of students in accordance with District, State and Federal program guidelines. This report includes all funds of the District.

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Municipal Audit Law as outlined in the 2017 Oregon Revised Statutes 297.405 to 297.555 and 297.990. The budget for each individual fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Education after certification by the Multnomah County Tax Supervising and Conservation Commission. The level of budgetary control, that is the level at which expenditure cannot legally exceed the appropriated amount, is established by major function category: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Debt Service, Transfers Out, Contingency and Ending Fund Balance. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

District Budget Principles

The District's governing body adopted budget principles, by way of resolution number 5229 at its March 8, 2016 meeting. These principles remain in effect today. Exhibit A to that resolution provides detail for each of the principles, but for the sake of brevity, only the principles are presented below. These principles, along with the District's Vision, System shifts and the Board adopted goals, shape the financial planning and analysis activities for the district.

- Providing Students with an Exceptional Educational Experience and Ensuring their Academic Success Should Drive the Budget Process
- Decisions Should Be Driven by Data
- Base Resourcing Decisions on Cost-Effectiveness
- Prioritize the Core Program in All Schools
- Critically Re-Examine Patterns of Spending
- Provide Every Student with Equitable Access
- Take a Long-Term Perspective
- Be Transparent

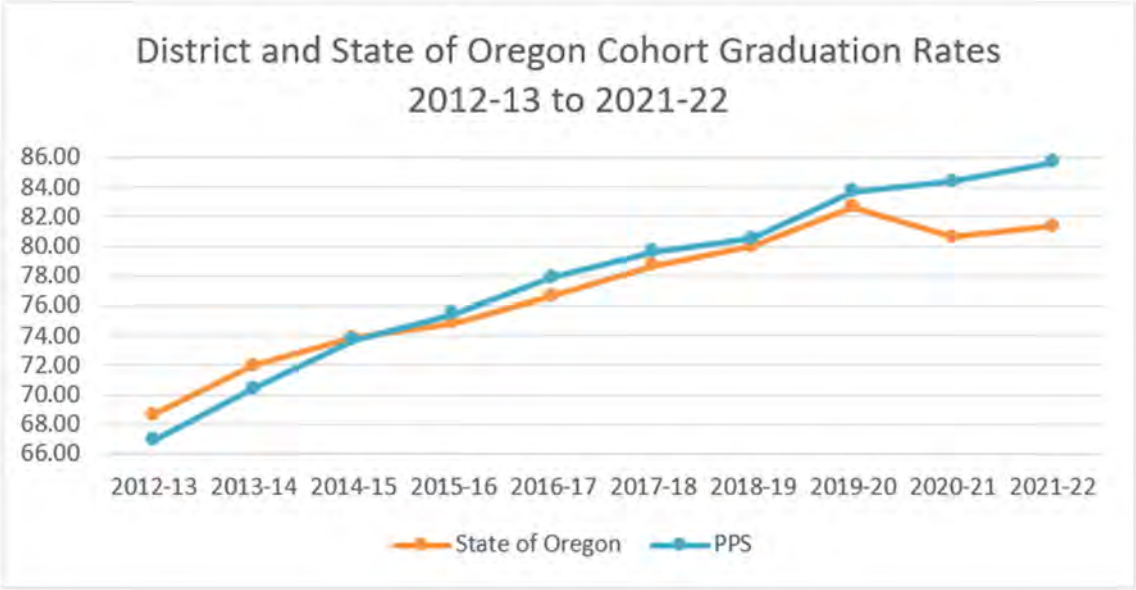
Service Efforts and Accomplishments

On June 25, 2019, the Board of Education passed resolution number 5909, Portland Public Schools reImagined: Preparing Our Students to Lead Change and Improve the World as the District's Vision. This Vision focuses on what we want to be true for our graduates and includes four main areas: a Graduate Portrait, Educator Essentials, System Shifts and Core Values.

On October 15, 2019, the Board adopted by resolution number 5984, Portland Public Schools Board Goals for 2019-22. These include the following academic goals for our students that align with the community and District vision of the Graduate Portrait:

- Third Grade Reading
- Fifth Grade Mathematics
- Eighth Grade Graduate Portrait
- Post-Secondary Readiness/Ready for College & Career

The Vision, accountability metrics and the theory of action will continue to shape and define the financial planning and decision making as well as serve as the District's roadmap.



Source: ODE Cohort Graduation Rates - https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx

The PPS four-year graduation rate continues to improve and outpace the average graduation rate for the State of Oregon. The graduation rate for PPS Class of 2022 (the most recent year available from Oregon Department of Education was 85.7 percent, exceeding the average graduation rate for the State of Oregon Class of 2022 of 81.3%.

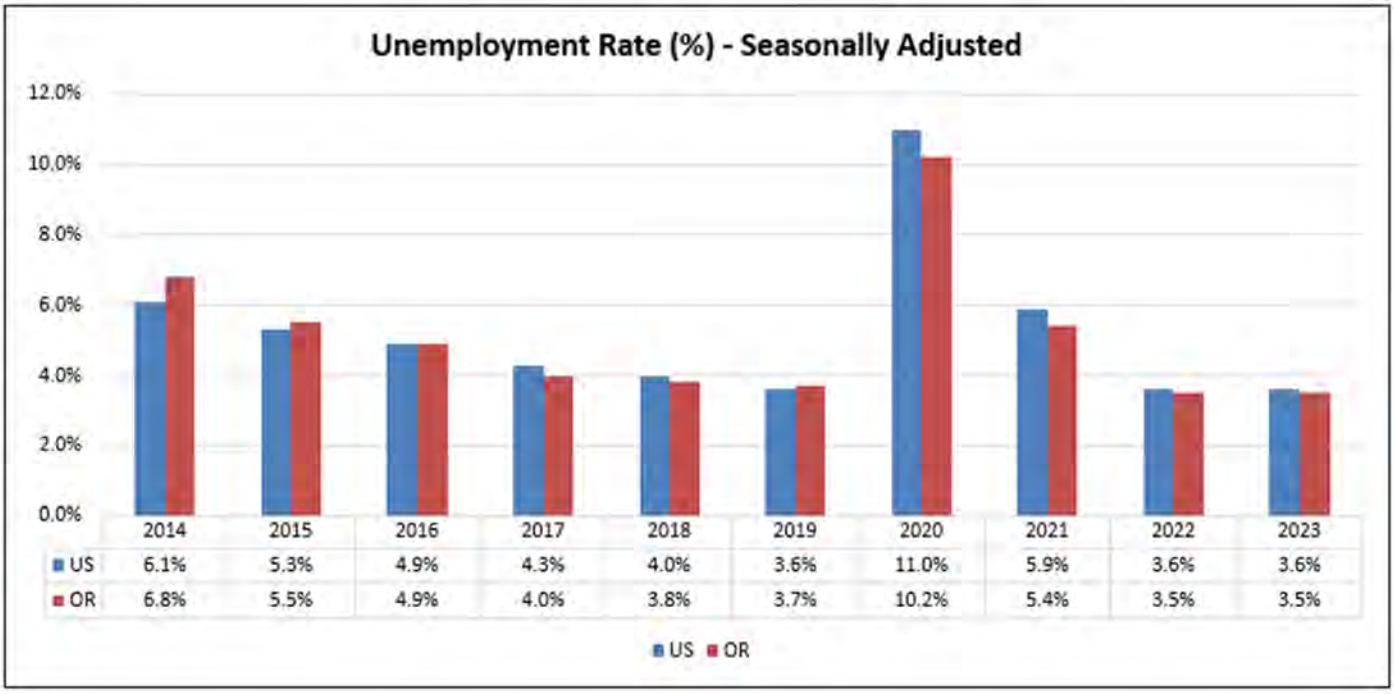
Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the specific environment within which the District operates.

PPS derives approximately 80.8 percent of its General Fund revenues from the State School Fund and the allocation of certain property taxes within the associated funding distribution formula. Roughly half of the State School Fund money comes via the appropriation made by the state legislature, while the remainder is from statewide local property tax collections. The state budget and the legislative appropriation are highly dependent upon state revenues through income taxes. The outlook for the state economy is a leading indicator for the health of this revenue stream and is, therefore, of great importance for PPS.

The second largest revenue item for the District – about 15.1 percent of General Fund revenues - is its local option levy which is a property tax based upon assessed values of property in the PPS taxing district. The local option levy revenues are significantly influenced by real market values of homes within the PPS taxing district.

Oregon State Economy – In June 2023, Oregon's unemployment rate was holding steady at 3.5 percent, down from a high of 13.2 percent in April 2020.



Source: Bureau of Labor Statistics, Unemployment Data

Approximately 43 thousand jobs were gained over the past year, contributing to a total workforce increase of 2.2 percent from June 2022 to June 2023. The Government sector experienced the greatest percentage gains, with almost 18 thousand jobs gained, representing a 6.2 percent year-over-year increase.

Oregon Employment by Industry (number of jobs, in thousands)

Industry	June 2022	June 2023	% of Economy	Year-over-Year Change (#)	Year-over-Year Change (%)
Government	287.6	305.5	15.3%	17.9	6.2%
Other Services	61.3	64.8	3.2%	3.5	5.7%
Leisure & Hospitality	206.4	207.4	10.4%	1.0	0.5%
Education & Health Services	307.9	313.7	15.7%	5.8	1.9%
Professional & Business Services	258.4	273.4	13.7%	15.0	5.8%
Financial Activities	106.7	107.7	5.4%	1.0	0.9%
Information	36.2	37.9	1.9%	1.7	4.7%
Trade, Transportation, and Utilities	369.5	364.6	18.2%	(4.9)	-1.3%
Manufacturing	196.5	193.8	9.7%	(2.7)	-1.4%
Construction	119.2	123.5	6.2%	4.3	3.6%
Mining and Logging	6.2	6.4	0.3%	0.2	3.2%
Total Nonfarm	1,955.9	1,998.7		42.8	2.19%

Source: Oregon Economy at a Glance - https://www.bls.gov/regions/west/oregon.htm#eag

Local Economy – Portland and the surrounding metropolitan area have a widely diversified economy. Its centralized location and excellent transportation facilities have established the area as a major distribution point on the West Coast for wholesale trade and high-tech exports. During 2022-23, Education, Health Services, and Hospitality accounted for 26.1 percent of the city's economy while the Trades, Transportation and Utilities made up another 18.2 percent.

Long Term Financial Planning and Major Initiatives - For many years, the District did not have adequate funds for capital improvements. In 2012, PPS updated its long-range facilities plan with the assistance of an advisory committee of more than 30 community members that brought a variety of professional perspectives as well as that of teachers, parents, and other interested participants. This committee held a series of community meetings, reaffirmed the need for a capital bond, and laid the foundation for the Board's deliberation on a bond proposal and the criteria for definition of projects to be financed.

In November of 2012, the voters of the district authorized Portland Public Schools to issue up to $482 million of general obligation bonds to improve school buildings, with 67 percent of voters supporting this capital investment program. This was a landmark accomplishment for PPS after many years of work and we are enormously grateful to the voters in this district for their continued support of PPS and for public education in our district.

The major projects at Roosevelt, Franklin and Faubion schools were completed in the fall of 2017. Grant High School was completed in time for the start of the 2019-20 school year.

A second $790 million capital bond was passed by voters in May 2017. This bond funds renovations and additions at Benson and Leodis V. McDaniel High Schools, and full rebuilds of Lincoln High School and Kellogg Middle School. Approximately 30 percent of the budgets for these projects comprehensively address health and safety issues.

Leodis V. McDaniel and Kellogg both opened for the school year starting in 2021. Lincoln opened for the school year starting in 2023. Modernization work at Benson began in the summer of 2021. Design and work will continue with health and safety projects that improve accessibility, upgrade fire alarms and fire sprinklers, reduce hazardous materials, repair or replace deteriorating school roofs, upgrade school safety and security and strengthen schools against earthquakes.

A third $1.2 billion capital bond was passed by voters in November 2020. This bond funds additional health and safety projects across the district, replaces curriculum materials and technology equipment districtwide, modernizes Jefferson High School, completes Benson Polytechnic High School, plans additional neighborhood school projects and continues design and planning to modernize Cleveland and Ida B. Wells-Barnett (formerly known as Wilson) High Schools. PPS remains committed to deliver robust high school and middle school projects as envisioned by the voters, steward bond resources prudently and efficiently, and build and maintain the trust of voters in our community.

Charter Schools

Oregon statute provides state funding for charter schools that flow through the District for schools that local school boards of education have granted a charter. The District had five charter schools in operation during the 2022-23 fiscal year. Due to their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

Independent Audits

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Talbot, Korvola & Warwick, LLP, have completed their audit of the basic financial statements and, accordingly, have included their unmodified Independent Auditor's Report in the financial section of this report.
Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)

require state and local governments that expend $750,000 or more in federal assistance in a year have a special form of audit conducted for that year. Since 1989, Portland Public Schools has issued a separate report on these requirements. Talbot, Korvola & Warwick, LLP have also provided various required reports. Contained in the separately issued Report on Audit Requirements for Federal Awards is the Schedule of Expenditures of Federal Awards, and the required reports on internal controls and compliance with laws and regulations.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 43rd consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for this coveted Certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 51st consecutive year that the District has earned this significant award. The Certificate of Excellence is recognition that the District has met the highest standards in school financial reporting as adopted by ASBO. The District believes that this report for fiscal year 2022-23, which will be submitted to ASBO for review, will also conform to these standards.

We wish to express our appreciation to the staff of the Finance Department and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We further extend our appreciation to the members of the Board of Education, employees of the District, and all of the Portland community whose continued cooperation, support, and assistance have contributed greatly to the achievements of Portland Public Schools.

Respectfully submitted,

Myong Leigh
Interim Deputy Superintendent, Business & Operations

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Principal Officials
At June 30, 2023

SCHOOL BOARD

Member	Zone	Term Expiration	Phone
Andrew Scott	1	June 30, 2027	503-916-3741
Michelle DePass	2	June 30, 2027	503-916-3741
Amy Kohnstamm	3	June 30, 2023	503-916-3741
Herman Greene	4	June 30, 2025	503-916-3741
Gary Hollands	5	June 30, 2025	503-916-3741
Julia Brim-Edwards	6	June 30, 2025	503-916-3741
Eilidh Lowery	7	June 30, 2023	503-916-3741

ADMINISTRATIVE STAFF

Guadalupe Guerrero	Superintendent
Dr. Cheryl Proctor	Deputy Superintendent, Instruction and School Communities
Vacant	Deputy Superintendent, Business and Operations
Liz Large	Contracted General Counsel
Jonathan Garcia	Chief of Staff
Jey Buno	Chief of Student Support Services
Dan Jung	Chief Operating Officer
Freddie Mack	Senior Director Communications
Don Wolff	Chief Technology Officer
Kimberlee Armstrong	Chief Academic Officer
Nolberto Delgadillo	Chief Financial Officer
Rosanne Powell	Board Manager
Sharon Reese	Chief Human Resources Officer
Jon Franco	Chief of Schools
Dr. Renard Adams	Chief of Research, Assessment, and Accountability

PORTLAND PUBLIC SCHOOLS

2022-23 PPS Leadership Staff

Revised: April 20, 2023
Subject to change

Key
- Executive Leadership Team
- Superintendent's Leadership Team

Guadalupe Guerrero
Superintendent

Cheryl Pitman
Confidential Executive Assistant (CEA)

RACIAL EQUITY & SOCIAL JUSTICE
Dani Ledezma
Senior Advisor to Superintendent
Community Partnerships, SUN Programs

Vacant
Deputy Superintendent Business & Operations

Gail Warren
CEA

Nolberto Delgadillo
Chief Financial Officer

Tracy Pinder
Senior Director Finance
- Budget Analysis
- Financial Services
- Payroll & Accounts Payable
- Procurement & Contracting

Dan Jung
Chief Operating Officer

Marina Cresswell
Senior Director School Modernization
- Maintenance Operations
- Planning & Asset Mgmt
- Project Construction
- Student Transportation

Don Wolff
Chief Technology Officer

Derrick Brown
Senior Director Information Technology
- Client Services
- Learning Technologies
- Publication Services
- Records Mgmt
- Technical Operations

Whitney Ellersick
Senior Director Nutrition Services

Judy Brennan
Director Enrollment & Transfer

Molly Romay
Senior Director Security Services
- Emergency Management

Janise Hansen
Senior Internal Perf Auditor

Liz Large
Contracted General Counsel

Gina Wiedrick
CEA
- Risk Management

Jonathan Garcia
Chief of Staff

Vacant
CEA
- Govt Relations, Climate Justice, Complaint Coordinator, Student Community & Public Engagement, Strategic Philanthropic Partnerships

Sharon Reese
Chief Human Resources Officer

Stacey Jung
Senior Director HR Operations

Genevieve Rough
Senior Director Employee & Labor Relations
- Strategic Project Management Office
- Benefits & Leaves
- Compensation & Classification
- HRIS
- Recruitment, Staffing & Sub Office
- Workforce Dev & Training

Dr. Renard Adams
Chief of Research, Assessment & Accountability
- Accountability
- Assessment
- Research

Freddie Mack
Senior Director Communications
- Communications
- Multimedia Services
- Language Access

Rosanne Powell
Board Manager

Dr. Cheryl Proctor
Deputy Superintendent Instruction & School Communities

Mayra Pacheco
CEA

Dr. Kimberlee Armstrong
Chief Academic Officer

Dr. James Crawford
Interim Senior Director High School & College & Career Readiness

Dr. Emily Glasgow
Senior Director PK-5 Academics

Joanna Tobin
Senior Director Middle Years Academics & Redesign

Dana Nerenberg
Senior Director Academic Programs

Kristina Howard
Senior Director Teacher Professional Learning

Dr. Jon Franco
Chief of Schools

Margaret Calvert
Assistant Superintendent Secondary

Dr. Lorna Fast Buffalo Horse
Area Senior Director

Christyn McCloskey
Area Senior Director

Vacant
Area Senior Director

Korinna Wolfe
Area Senior Director

Dr. Esther Omogbehin
Assistant Superintendent Elementary

Vacant
Area Senior Director

Isaac Cardona
Area Senior Director

Dr. Hassan Dornayi
Area Senior Director

Karl Logan
Area Senior Director

Raddy Lurie
Area Senior Director

Marshall Haskins
Senior Director Athletics

Loretta Benjamin-Samuels
Senior Director Professional Learning & Leadership

School Administrators

Jey Buno
Chief of Student Support Services

Dr. Lisa McConachie
Senior Director Columbia Regional

Chandra Wilson-Cooper
Senior Director MTSS

Michelle Murer
Senior Director Special Education

James Loveland
Senior Director Student Success & Health

Leslie O'Dell
Senior Director Funded Programs

Title IX

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

School District 1J, Multnomah County, Oregon

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

School District No. 1J, Multnomah County Oregon

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Executive Director/CEO

Introductory

Astor Fiesta Latina October 2022

Benson vs. Roosevelt February 2023

Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
School District 1J, Multnomah County, Oregon
Portland, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

An independently owned member RSM US Alliance

RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios-RHIS, Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions-RHIA, Schedule of the District's Proportionate Share of Net Pension Liability (Asset) and District Contributions, Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend, and Notes to the Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the accompanying budgetary comparison information for the General Fund and Special Revenue Fund, as listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the required budgetary comparison for the General Fund and Special Revenue Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules and combining statements, listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory and Statistical Sections, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 21, 2023, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

For Talbot, Korvola & Warwick, LLP
Portland, Oregon
December 21, 2023

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Management's Discussion and Analysis

As management of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS), we offer readers this narrative overview and analysis of the financial activities of Portland Public Schools for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

FINANCIAL AND BUDGETARY HIGHLIGHTS

Budget

On June 13, 2022, the Board of Education (the Board) adopted the fiscal year 2022-23 budget by way of Board Resolution No. 6520. The District's fiscal year 2022-23 budget was based on the Oregon Legislature's biennial budget cycle for 2021-2023 that includes a State School Fund allocation of $9.3 billion, a Student Investment Account (SIA) allocation of $893.0 million, and a High School Success (Measure 98 or M98) allocation of $314.5 million.

The fiscal year 2022-23 budget continued to focus available resources on the PPS Strategic Plan and Vision: PPS Reimagined. Five strategic system shifts will be prioritized through 2025: a connected and transformative school District; racial equity aligned systems and structures; cultivating system-wide learning and a diverse workforce; transformative curriculum and pedagogy; and a culture of physical and emotional safety. The fiscal year 2022-23 budget focused on two specific areas: addressing the needs of students and staff returning from the pandemic; and increasing academic achievements and reducing academic disparities.

On May 23, 2023, the Board voted to amend the fiscal year 2022-23 budget, by way of Board Resolution No. 6712. This amendment to the budget revised appropriations and recognized resources to align the budget with updated projections.

- **General Fund:** $715.0 million to increase resources in Other Local Sources, and adjust appropriations across Instruction, Support Services, Enterprise & Community Services and Debt Service (PERS UAL).
- **Special Revenue Fund:** Resource appropriations were adjusted across Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, and Transfers of Funds.
- **Capital Projects Fund:** $606.8 million to true up beginning fund balance, increase State Sources and All Other Revenue Sources and to updated spending plans accordingly.

Other Highlights

In November 2012, District voters passed an eight-year, $482.0 million capital bond measure. With the 2012 School Building Improvement Bond, Portland Public Schools began a 30-year effort to modernize every school in the District. The 2012 authorization enabled the district to make improvements in more than 51 schools, including seismic, accessibility and science classroom upgrades. In addition, Franklin, Roosevelt and Grant High schools were modernized and Faubion PK-8 was completely rebuilt.

At June 30, 2023, the 2012 authorization had a remaining balance of $319 thousand, comprised of proceeds and related investment earnings.

Summary of Bond Resources as of June 30, 2023
(in thousands)

Authorization		Issued		
Year	Amount	Par	Premium	Unspent Balance
2012	$ 482,000	$ 482,000	$ 56,937	$ 319
2017	790,000	790,000	69,408	145,934
2020	1,208,000	785,465	74,406	574,969
	$ 2,480,000	$ 2,057,465	$ 200,751	$ 721,222

In May 2017, District voters passed an eight-year, $790.0 million capital bond measure. The 2017 Health, Safety and Modernization Bond includes the modernization of Leodis V. McDaniel and Benson Polytechnic High schools; the construction of a new Kellogg Middle school, a new Lincoln High school and a new Multiple Pathways to Graduation building (on the Benson campus); and district-wide health and safety projects.

The health and safety projects include:

- water quality improvements,
- roof replacements, including roof-level seismic improvements,
- security upgrades at all District schools,
- lead paint, asbestos and radon remediation,
- installation of new fire alarm and sprinkler systems to improve fire safety, and
- ADA upgrades and improvements, including new elevators.

McDaniel High school has been completely modernized and a new Kellogg Middle school has been built. Both schools opened to students in Fall 2021. A new Lincoln High school building was opened in Fall 2022, and the new athletic fields were completed in 2023. Construction for the modernization of Benson Polytechnic High school and a new Multiple Pathways to Graduation building on the Benson campus began in summer 2021 and are scheduled to be completed in Fall 2024.

At June 30, 2023, the 2017 authorization had a remaining balance of $145.9 million.

In November 2020, District voters passed a $1.208 billion capital bond measure. The measure included authorization to renovate Jefferson and Benson High schools and add a facility for alternative school programs. Additionally, the measure authorized updates to curriculum materials and technology improvements, master planning for Cleveland and Ida B. Wells-Barnett High schools and for planning/adding additional capacity at Roosevelt High school. The measure also provided for the development of a culturally responsive community plan and to make targeted investments in neighborhood school facilities in North and Northeast Portland.

Continuing health and safety projects include:

- Removal of barriers to accessibility in schools across the District;
- Repair/replacement of leaking or deteriorating school roofs:
- Seismic retrofit at up to three schools;
- Repair/replacement of high priority mechanical systems (heating, cooling and ventilation);
- Strengthening security measures in schools.

In December 2020, the District issued $365.5 million of the $1.208 billion authorized. A premium of $29.6 million was realized on that sale. In April 2023, the District issued an additional $420.0 million of the 2020 authorization. A premium of $44.8 million was realized on the sale. At June 30, 2023, $575.0 million of the amount issued remained unspent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to Portland Public Schools' basic financial statements. The basic financial statements are comprised of three components: (1) government- wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. In addition to the basic financial statements, this report also contains required and other supplementary information.

Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 29-31 of this report.

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Portland Public Schools' funds can be divided into two categories: governmental funds and proprietary funds. Reports by fund are shown in the Financial Section of the report beginning on page 33.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus more narrowly on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Portland Public Schools designates four major governmental funds. Information is presented separately for the General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

Portland Public Schools adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund individually in either required or supplementary information to demonstrate compliance with the fund level budgets. The basic governmental fund financial statements can be found on pages 33-38 of this report.

Proprietary funds are used to account for a government's business-type activities. The District maintains only one type of proprietary fund, which is an internal service fund. Internal service funds are accounting devices used to accumulate and allocate costs among various internal functions. The District uses an internal service fund to account for its self-insurance activities related to workers compensation. Because Portland Public Schools has no business-type functions, this service benefits governmental functions and has been included within the governmental activities in the government-wide financial statements.

Internal service funds provide the same type of information as the government-wide financial statements. The internal service fund financial statements provide separate information for the self-insurance fund. The basic internal service fund financial statements can be found on pages 41-43 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 45-90 of this report.

Required Supplementary Information (RSI) is located directly after the notes to the basic financial statements on pages 92-104 and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund and Special Revenue Fund. In addition, the RSI discloses the District's proportionate share of liabilities/assets and related employer contributions for pension and other post-employment healthcare benefits obligations.

Supplementary Information (SI) presented on pages 105-108 includes budgetary comparison schedules for the Debt Service Fund, Capital Projects Fund and the Proprietary Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Deferred Outflows and Inflows of Resources

Deferred outflows and deferred inflows include pension and other post-employment healthcare related balances. The changes in these deferred outflows and deferred inflows were due to differences between actual and expected earnings, changes in assumptions used by outside actuaries, and other factors impacting these balances.

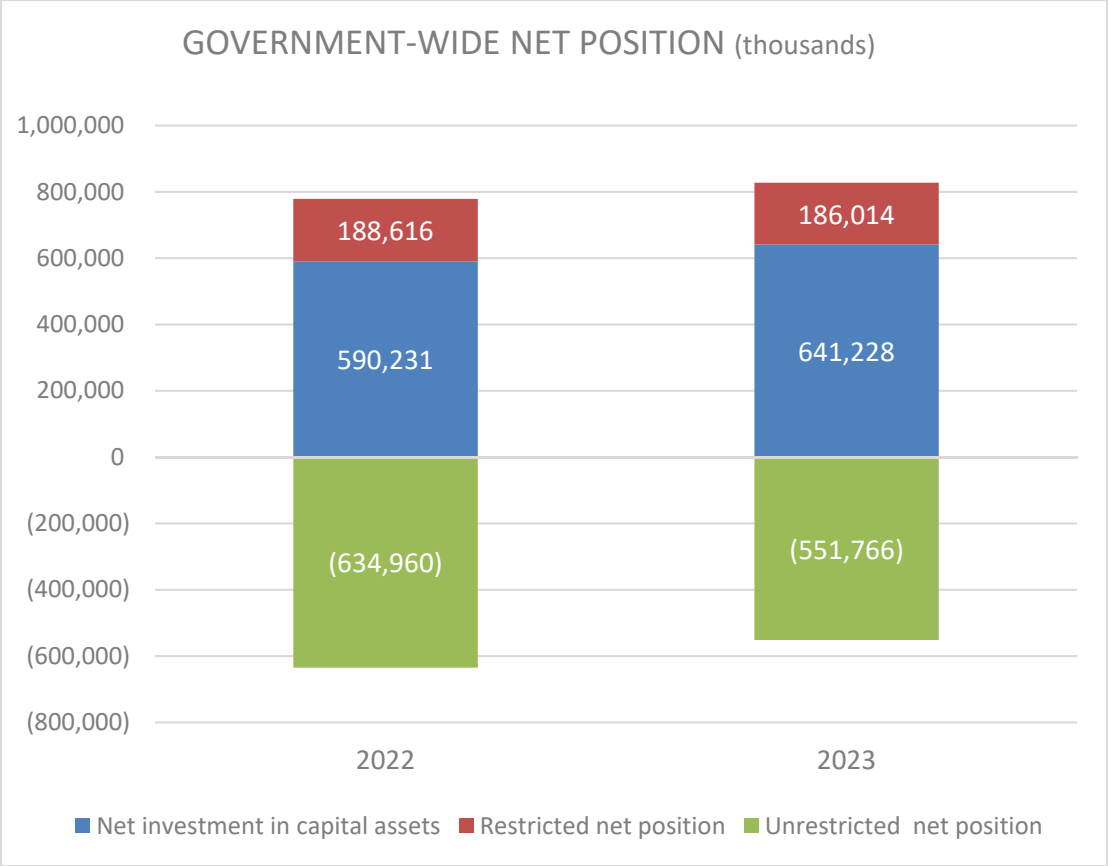
Analysis of Net Position

The Statement of Net Position presents information on the District's assets, liabilities and deferred outflows and inflows. The difference between assets/deferred outflows and liabilities/deferred inflows is reported as net position. Over time, net position may serve as a useful indicator of the District's financial position. Other indicators that can be useful in reviewing the District's financial health include enrollment trends, debt capacity and the condition of facilities.

Net Position: 2022 compared to 2023

Net Position is a primary indicator of financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by $275.5 million at June 30, 2023. This represents an increase of $131.6 million in net position from the prior year and is further discussed below.

Net Position	**Government-wide (thousands)**			
	2022	2023	$ Change	% change
Assets				
Current or other assets	$ 871,350	$ 1,239,627	$ 368,277	42.3%
Net capital assets	1,384,060	1,629,666	245,606	17.7%
Total Assets	2,255,410	2,869,293	613,883	27.2%
Deferred Outflows of Resources	574,645	395,025	(179,620)	-31.3%
Liabilities				
Long-term liabilities outstanding	2,013,996	2,235,470	221,474	11.0%
Other liabilities	351,179	499,840	148,661	42.3%
Total Liabilities	2,365,175	2,735,310	370,135	15.6%
Deferred Inflows of Resources	320,993	253,532	(67,461)	-21.0%
Net Position				
Net investment in capital assets	590,231	641,228	50,997	8.6%
Restricted	188,616	186,014	(2,602)	-1.4%
Unrestricted	(634,960)	(551,766)	83,194	13.1%
Total Net Position	$ 143,887	$ 275,476	$ 131,589	91.5%



Net Investment in Capital Assets has increased to $641.2 million, a $51.0 million increase over prior year. The increase is primarily driven by increases in capital assets related to the capital bond work and payment on related debt, as well as recognition of right-of-use lease and subscription assets as a result of implementation of GASB 87 and 96.

Restricted Net Position represents the unspent portions of capital project funds, debt service funds, and net assets restricted by grants, donations, and post-employment benefits. Restricted Net Position decreased by $2.6 million to $186.0 million this year, primarily due to bond-related expenditures.

Unrestricted Net Position consists of all other amounts not included in categories noted above. Unrestricted Net Position at June 30, 2023 is a negative $551.8 million, an increase of $83.2 million over the prior year.

Analysis of Activities

The Statement of Activities presents expenses and related revenues by program, summarizing how the District's net position changed during the most recent fiscal year. The statement reports revenues earned and expenses incurred under the accrual basis of accounting, where changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, pension amounts, other post-employment benefits (OPEB), incurred but not reported (IBNR) claims, and earned but unused vacation leave).

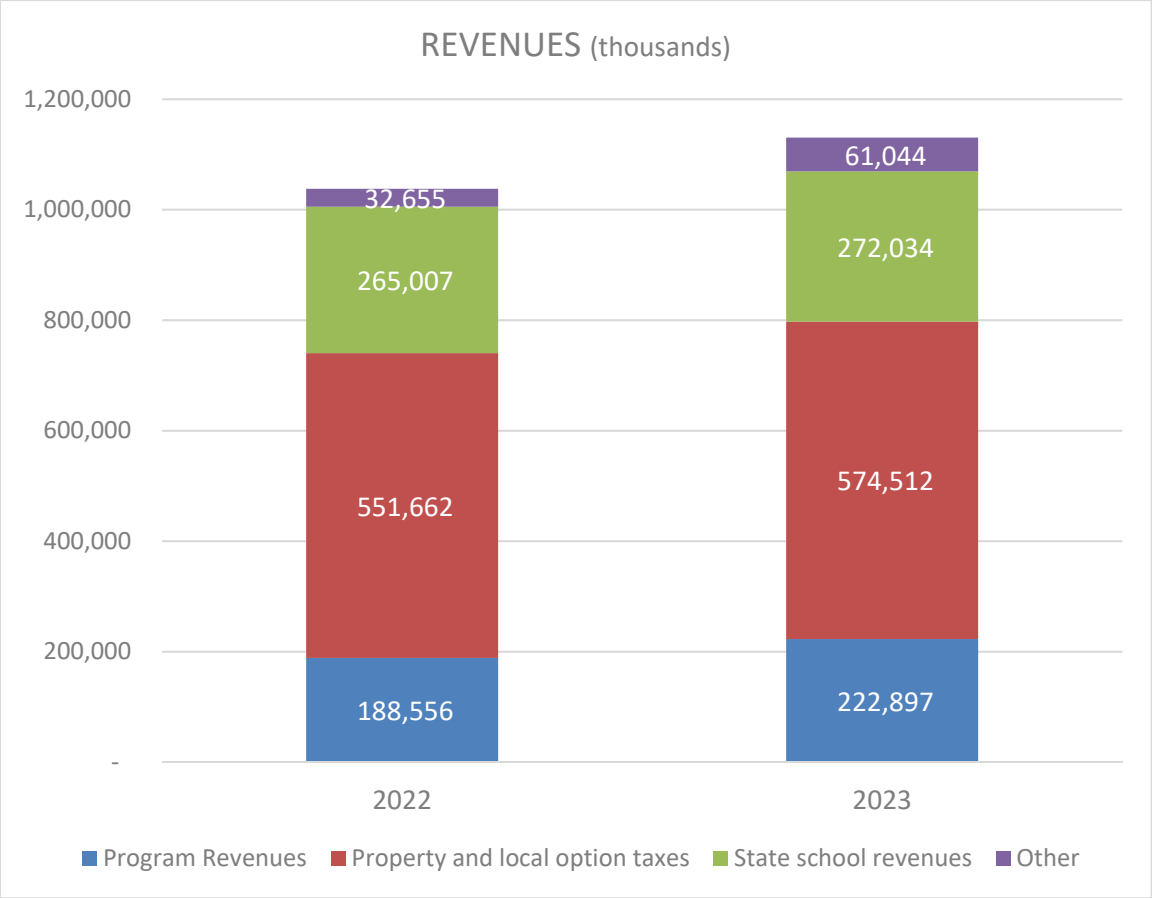
The Statement of Activities of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Portland Public Schools currently does not have any business-type or enterprise fund activities. Additional detail regarding revenue and expense changes are presented to provide a better understanding of the District's operations in fiscal year 2022-23 compared to fiscal year 2021-22.

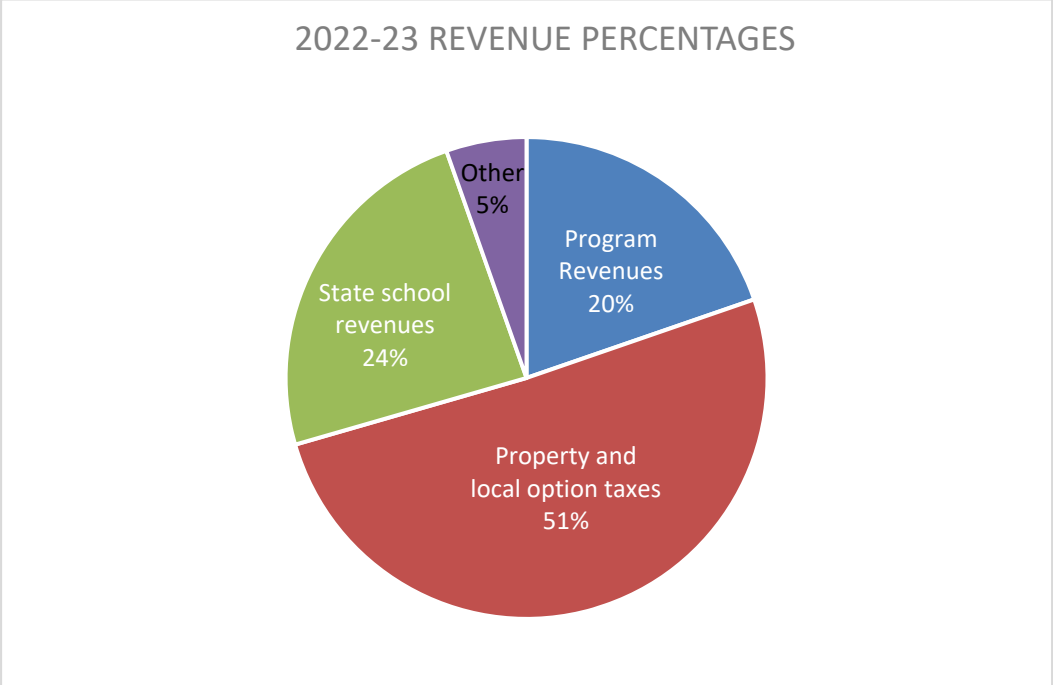
Statement of Activities	Government-wide (thousands)				
	2022	2023	2023- % of Total	$ Change	% Change
Revenues					
Program Revenues					
Charges for services	$ 1,997	$ 5,712	0.5%	$ 3,715	186.0%
Operating grants & contributions	184,581	215,075	19.1%	30,494	16.5%
Capital grants & contributions	1,978	2,110	0.2%	132	100.0%
Total Program Revenues	188,556	222,897	19.8%	34,341	18.2%
General Revenues					
Property taxes	446,348	464,507	41.0%	18,159	4.1%
Local option taxes	105,314	110,005	9.7%	4,691	4.5%
County & intermediate sources	15,566	11,067	1.0%	(4,499)	-28.9%
Construction excise tax	5,437	4,190	0.4%	(1,247)	-22.9%
State School Fund	259,314	265,672	23.5%	6,358	2.5%
State Common School Fund	5,693	6,362	0.6%	669	11.8%
Investment earnings	984	28,912	2.6%	27,928	2838.2%
Other	10,668	16,875	1.5%	6,207	58.2%
Total General Revenues	849,324	907,590	80.3%	58,266	6.9%
Total Revenues	1,037,880	1,130,487	100.1%	92,607	8.9%
Expenses					
Instruction	470,945	491,393	49.2%	20,448	4.3%
Support services	359,554	414,298	41.5%	54,744	15.2%
Enterprise & community services	29,283	33,374	3.3%	4,091	14.0%
Facilities services	9,576	4,845	0.5%	(4,731)	-49.4%
Interest & fees on long-term debt	63,084	54,988	5.5%	(8,096)	-12.8%
Total Expenses	932,442	998,898	100.0%	66,456	7.1%
Change in net position	105,438	131,589	47.8%	26,151	24.8%
Net position - beginning of year	38,449	143,887	52.2%	105,438	-274.2%
Net position - end of year	$ 143,887	$ 275,476	100.0%	$ 131,589	-91.5%

The District's mission is to provide a free and appropriate public education for K-12 students within its boundaries. The District may not charge for its core services, but does charge for non- core services such as facilities rentals and activities fees. General revenues, primarily property taxes and State School Funds, provide most of the funding required for governmental programs.

Revenue and Expenses: 2022 compared to 2023

Revenues for fiscal year 2022-23 were $1.130 billion, an increase of $92.6 million, or 8.9 percent, from prior year revenues of $1.037 billion. Operating grants and contributions revenues increased by $30.5 million, the largest source of revenue growth. Capital grants and contributions increased by $132 thousand. The major increases in federal and state funding were related to the Elementary and Secondary School Emergency Relief Fund (ESSER), Student Investment Account (SIA), Measure 98 (M98), and Student Success Act Summer Learning grants. Property and local option taxes increased $22.9 million over the prior year as assessed values rose and collection rates were consistent with prior years. State School Fund revenues increased $7.0 million from the prior year. Investment revenues increased $27.9 million from the prior year due to improved interest rates and the investment of bond proceeds related to capital projects.


REVENUES (thousands)
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
32,655
265,007
551,662
188,556
61,044
272,034
574,512
222,897
2022
2023
Program Revenues
Property and local option taxes
State school revenues
Other


2022-23 REVENUE PERCENTAGES
Other 5%
Program Revenues 20%
State school revenues 24%
Property and local option taxes 51%

Expenses for the District's program activities include Instruction, Support Services, Enterprise & Community Services, Facilities Services, and Interest & Fees on Long-term Debt. The District's activities mirror its chart of accounts which is mandated by the Oregon Department of Education for all Oregon public schools.

Current year total expenses were $998.9 million, which is an increase of 7.1 percent, or $66.5 million, over prior year. Instruction expenses increased $20.4 million, or 4.3 percent, compared to 2021-22. The major components of this change were staffing and other increases due to additional grant funding, plus step and COLA increases. Support Services expenses increased $54.7 million, or 15.2 percent, from the prior year. The major components of this change were the acquisition of software subscription services and wage increases due to step and COLA increases. Instruction and support services together accounted for 90.7 percent of the District's total expenses in fiscal year 2022-23, compared to 89.1 percent in fiscal year 2021-22. Interest and fees on long-term debt decreased $8.1 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

As previously noted, the District uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

General Fund. The General Fund is the major operating fund of the District. The fund's ending fund balance increased by $6.7 million to $105.5 million in fiscal year 2022-23. The General Fund saw an increase of $26.9 million in revenue, largely due to an increase in property and local option taxes, State School Fund and investment earnings. Instructional expenditures increased by $3.2 million, or 0.8 percent, in fiscal year 2022-23. Support services increased by $30.2 million, or 8.8 percent. Increases are primarily related to wage and benefit increases; additional staffing for counselors, school administrators, substitutes, and custodians; and the opening of a new school building (Lincoln).

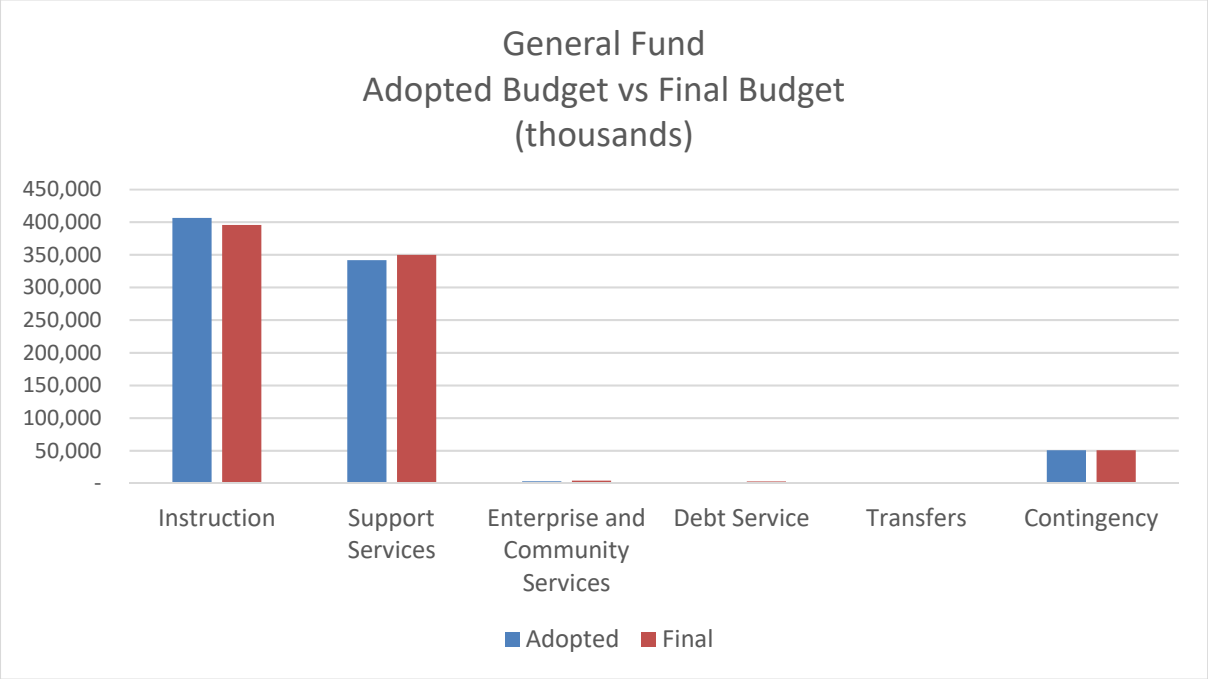
Special Revenue Fund. The Special Revenue Fund ending fund balance increased by $1.6 million, or 4.6 percent, in fiscal year 2022-23. The Special Revenue Fund saw an increase of $35.1 million in revenue, largely driven by increases in charges for services, extracurricular activities and federal and state support. Expenditures across the fund increased by $41.1 million due to increased federal and state funding. The major increases in federal and state funding were related to the Elementary and Secondary School Emergency Relief Fund (ESSER), Student Investment Account (SIA), Measure 98 (M98), and Student Success Act Summer Learning grants.

Debt Service Fund. The Debt Service Fund ending fund balance increased $4.6 million to $18.3 million in fiscal year 2022-23, primarily due to increased property tax collections in excess of GO bond debt service. Debt Service expenditures increased $8.3 million in fiscal year 2022-23.

Capital Projects Fund. The Capital Projects Fund ending fund balance increased $208.7 million to $730.6 million in fiscal year 2022-23, primarily due to the issuance of additional GO Bonds in April 2023. Overall spending on GO Bond projects increased $31.0 million in fiscal year 2022-23 as bond projects continued. Spending on curriculum and technology modernization projects increased $1.7 million in fiscal year 2022-23.

BUDGETARY HIGHLIGHTS FOR THE GENERAL FUND

Adopted budget compared to final budget. There was one amendment to the fiscal year 2022-23 budget. The amendment allocated funds across Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Debt Service (PERS UAL) and Transfers of Funds to align the budget with updated projections.



Final budget compared to actual results. In fiscal year 2022-23 actual General Fund expenditures before contingency were $29.5 million below budgeted expenditures, or roughly 3.9 percent. Salaries and associated payroll costs across Instruction and Support Services accounted for $24.5 million of the variance, while non-personnel expenditures made up the other $5 million.

Final Budget vs Actual Expenditures (thousands)

	Final Budget	Actual Expenditures	$ Variance	% of Budget
Instruction	$ 395,750	$ 376,733	$ (19,017)	95.2%
Support Services	349,912	343,006	(6,906)	98.0%
Enterprise and Community Services	4,100	3,114	(986)	76.0%
Debt Service	2,945	405	(2,539)	13.8%
Transfers	1,302	1,282	(20)	98.5%
	754,009	724,541	(29,467)	96.1%
Operating Contingency	50,768	-	(50,768)	0.0%
	$ 804,777	$ 724,541	$ (80,235)	90.0%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, building and improvements, vehicles and equipment, construction in progress, and right-of-use leases and subscription assets. As of June 30, 2023, the District had invested $1.63 billion in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	**Government-wide (thousands)**			
	2022	2023	$ Change	% change
Land	$ 9,174	$ 9,174	$ -	0.0%
Buildings and site improvements	1,267,251	1,306,539	39,288	3.1%
Vehicles and equipment	98,775	101,414	2,639	2.7%
Construction in progress	343,471	565,187	221,716	64.6%
Right-of-use leased equipment	-	958	958	100.0%
Right-of-use subscription asset	-	19,065	19,065	100.0%
	1,718,671	2,002,337	283,666	16.5%
less accumulated depreciation and amortization	(334,611)	(372,671)	(38,060)	11.4%
Capital assets, net of depreciation	$ 1,384,060	$ 1,629,666	$ 245,606	17.7%

District-wide, net capital assets increased by $245.6 million in fiscal year 2022-23, and the District recognized $372.7 million of depreciation and amortization. Capital construction accounted for the majority of the increase. Further discussion of capital and right-of-use assets can be found in Note 7 of the financial statements.

Debt Administration. At the end of the current fiscal year, the District had total debt outstanding of $1.97 billion (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds ($640.9 million) and debt backed by the full faith and credit of the District ($1,329.6 billion). During fiscal year 2022-23, the District increased debt by issuing additional GO Bonds of $420.0 million. Further explanation of debt is shown in Note 10 of the Financial Statements.

Outstanding Debt	**Government-wide (thousands)**				
	2022	Increases	Decreases	2023	% change
Limited tax pension and refunding bonds	$ 679,186	$ -	$ (38,296)	$ 640,890	-5.6%
Other debt	1,018,680	420,000	(109,092)	1,329,588	30.5%
Lease payable	-	958	(61)	897	0.0%
Subscription payable	-	2,818	(1,130)	1,688	0.0%
Total Long Term Debt	1,697,866	423,776	(148,579)	1,973,063	
Unamortized Bond Premium/(Discount)	119,244	44,832	(8,128)	155,948	30.8%
Total Long Term Debt, net of Premium (Discount)	$ 1,817,110	$ 468,608	$ (156,707)	$ 2,129,011	17.2%

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the Real Market Value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95 percent of Real Market Value or $12.5 billion.

OPERS is Oregon's public pension system. Under the pension plan, the actuarial liability is the present value of the plan's current and expected benefits payments (plus administrative expenses). If the fund's actuarial liability exceeds its assets, then the fund has a shortfall that is known as a Net Pension Liability ("NPL"). OPERS requires that school Districts pay (or

"amortize") this NPL over a period of 20 years (Tier One / Tier Two portion) and 10 years (Retiree Health Insurance Account portion). Since interest rates had been at historic lows, an opportunity to benefit from lowered interest was created.

The District has issued limited tax pension obligation bonds, Series 2002, 2003 and 2021. Proceeds from the bond issues were put into PERS "side accounts" and used to offset a portion of the OPERS Net Pension Liability (NPL). The reduced contribution rate charged for the NPL that has resulted from the District's decision to borrow, has saved an estimated $35.2 million in the current year; savings that the District has used to provide more instruction and support services. Over time, this reduction in rates could dampen the effects of future increases in the District's NPL. As long as OPERS' investment returns exceed the costs of servicing the bonds, the benefits of this program will exceed the costs. The District's NPL was reduced but was not eliminated by these borrowing transactions. Statutes, legislation, regulations, and rules regarding OPERS can change at any time.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2023-24 budget will continue to support the District's Strategic Plan and Vision: PPS Reimagined as well as the goals set by the Board. The budget coincides with the Oregon Legislature's biennial budget cycle for 2023-25, which includes a $10.2 billion State School Fund, and full funding for SIA and M98. The biggest unknown for the District continues to be enrollment. The 2023-24 budget assumes enrollment will remain relatively flat which represents approximately a 7.3 percent decline from pre-pandemic enrollment levels. Enrollment for the District as of October 1, 2022, was 45,456 students, a decline of 4,094 from a pre-pandemic high of 49,550. The enrollment decrease is most significant in PPS Elementary schools, which has been offset somewhat by increases at Middle and High schools, as well as Alternative Programs.

Population and enrollment trends in Portland show increases in the overall population within the PPS boundary. District population has grown steadily, from 374,000 in 1980 to approximately 520,000 in 2020. A mid-range forecast estimates a population of 596,000 by 2040. However, declining fertility rates among the fastest-growing cohort of the population, young adults (20 to 34-year-olds) suggest that the population of school-aged children will continue to decline, not keeping pace with the overall population growth.

The 2023-2024 budget takes steps to institutionalize two forces for equity including plans to launch our Center for Black Student Excellence. Despite gains, our system continues to see achievement gaps among our Black students, and we're hopeful the Center will help address these. We also intend to hire a civil rights coordinator to ensure students are provided school environments free from discrimination, harassment, and bullying.

And we remain deeply committed to providing multi-tiered systems of support. We will continue to fund increased mental and behavioral health services, school counselors, school-based social workers, school psychologists, and substance abuse support. We will continue funding work to strengthen safety and security and create school-based restorative justice systems that address conflicts in our learning spaces.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Portland Public Schools' finances for all those with an interest in the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Department, Portland Public Schools, 501 N Dixon, Portland, OR, 97227. An electronic copy of this and other prior- year financial reports is available at the District website: http://www.pps.net/Page/2184.

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 373,934
Cash and cash equivalents held by fiscal agents	4,735
Investments	718,175
Accounts and other receivables	96,170
Property taxes and other taxes receivable	15,241
Leases Receivable	7,751
Inventories	1,812
Prepaid items	3,656
Total current assets	1,221,474
Noncurrent assets:	
Net OPEB asset-RHIA	18,153
Capital assets, not depreciated:	
Land	9,174
Construction in progress	565,187
Capital assets, net of accumulated depreciation and amortization:	
Buildings and capital improvements	992,178
Vehicles and equipment	48,144
Right-of-use lease	878
Right-of-use subscriptions	14,105
Total assets	2,869,293
DEFERRED OUTFLOWS OF RESOURCES	
OPEB contributions subsequent to measurement date	6,852
OPEB differences between expected and actual experience	12,129
OPEB differences due to changes in assumptions	5,341
OPEB changes in employer proportion	132
Pension changes in employer proportion	39,642
Pension differences between expected and actual experience	10,811
Pension differences due to changes in assumptions	31,691
Pension differences employer share, system	283,116
Pension contributions subsequent to measurement date	5,311
Total deferred outflows of resources	395,025

The notes to the basic financial statements are an integral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position (continued)
June 30, 2023
(amounts expressed in thousands)

LIABILITIES		
Accounts payable	$	76,357
Accrued wages and benefits payable		102,289
Unearned revenues		122,521
Claims payable		7,676
Non-current liabilities:		
Due within one year		
Accrued compensated absences		4,085
Accrued interest payable		2,412
Bonds		183,322
Lease payable		186
Subscription payable		992
Due in more than one year		
Accrued compensated absences		2,937
Bonds		1,943,104
Lease payable		711
Subscription payable		696
Net pension liability-PERS		201,914
Total pension liability-stipend		5,985
Total OPEB liability-RHIS		80,123
Total liabilities		2,735,310
DEFERRED INFLOWS OF RESOURCES		
Deferred Lease Resources		7,342
OPEB differences between expected and actual experience		2,245
OPEB differences due to changes in assumptions		5,977
OPEB differences between actual and expected earnings		1,384
OPEB changes in employer proportion		3,721
Pension differences due to changes in assumptions		515
Pension differences between employer contribution and proportionate share of contributions		38,729
Pension difference at experience		1,259
Pension changes in employer proportion		156,262
Pension differences between actual and expected earnings		36,098
Total deferred inflows of resources		253,532
NET POSITION		
Net investment in capital assets		641,228
Restricted for:		
Capital projects		125,058
Grants		15,710
Student body activities		4,858
Nutrition services		3,479
Debt service		18,756
Net OPEB asset-RHIA		18,153
Unrestricted (deficit)		(551,766)
Total net position	$	275,476

The notes to the basic financial statements are an integral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Activities
For the year ended June 30, 2023
(amounts expressed in thousands)

Functions/Programs	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 491,393	$ 363	$ 126,269	$ -	$ (364,761)
Support services	414,298	1,997	78,664	-	(333,637)
Enterprise and Community Services	33,374	3,352	10,142	-	(19,880)
Facilities Services	4,845	-	-	2,110	(2,735)
Interest and fees on long-term debt	54,988	-	-	-	(54,988)
Total governmental activities	$ 998,898	$ 5,712	$ 215,075	$ 2,110	(776,001)

GENERAL REVENUES	
Property taxes levied for general purposes	318,131
Property taxes levied for debt service	146,376
Construction excise tax	4,190
Local option taxes levied for general purposes	110,005
State School Fund - general support	265,672
State Common School Fund - general support	6,362
County and intermediate sources - general support	11,067
Investment earnings	28,912
Other	16,875
Total general revenues	907,590
Change in net position	131,589
Net position - beginning of year	143,887
Net position - end of year	$ 275,476

The notes to the basic financial statements are an integral part of this financial statement.

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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2023
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
ASSETS		
Cash and cash equivalents-unrestricted	$ 101,077	$ 31,783
Cash and cash equivalents held by fiscal agents	4,341	-
Investments	24,914	15,467
Prepaid items	347	20
Accounts receivable	2,703	89,468
Leases receivable	7,751	-
Property taxes and other taxes receivable	11,684	-
Due from other funds	82,060	744
Inventories	539	1,273
Total assets	$ 235,416	$ 138,755
LIABILITIES		
Accounts payable	$ 17,506	$ 9,577
Accrued wages and benefits	94,256	7,831
Due to other funds	744	82,060
Unearned revenues	-	2,622
Total liabilities	112,506	102,090
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	10,071	-
Unavailable leases revenue	7,342	-
Total deferred inflows of resources	17,413	-
FUND BALANCES		
Nonspendable	886	1,293
Restricted	-	24,048
Committed	-	20,209
Assigned	94,984	-
Unassigned	9,627	(8,885)
Total fund balances	105,497	36,665
Total liabilities, deferred inflows and fund balances	$ 235,416	$ 138,755

The notes to the basic financial statements are an integral part of this financial statement.

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 8,798	$ 223,705	$ 365,363
394	-	4,735
8,794	669,000	718,175
-	2,914	3,281
-	3,999	96,170
-	-	7,751
3,557	-	15,241
-	-	82,804
-	-	1,812
$ 21,543	$ 899,618	$ 1,295,332
$ -	$ 48,967	$ 76,050
-	202	102,289
-	-	82,804
-	119,899	122,521
-	169,068	383,664
3,240	-	13,311
-	-	7,342
3,240	-	20,653
-	2,914	5,093
15,516	714,254	753,818
2,787	3,012	26,008
-	10,370	105,354
-	-	742
18,303	730,550	891,015
$ 21,543	$ 899,618	$ 1,295,332

The notes to the basic financial statements are an integral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

Fund balances - governmental funds (page 34)	$	891,015
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and are not reported in governmental funds.		1,629,614
Long-term taxes and other receivables are not available to pay for current-period expenditures and therefore are a deferred infow of resources in the governmental funds.		13,311
Assets, deferred outlows, liabilities and deferred inflows of the internal service funds are included in activities in the Statement of Net Position.		4,148
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(2,126,426)
Lease payable is not recognized as a liability in the governmental funds.		(897)
Subscription payable is not recognized as a liability in the governmental funds.		(1,636)
Actuarially determined pension activity is not reported in the governmental funds.		(70,192)
Accrued compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused vacation is reported as a liability.		(7,022)
Accrued property and liability insurance claims incurred but not reported are not due and payable in the current period and therefore are not reported in the governmental funds.		(3,185)
Accrued interest payable is not recognized as a liability in the governmental funds.		(2,412)
Actuarially determined OPEB activity is not reported in the governmental funds.		(50,842)
Net position of governmental activities (page 33)	$	275,476

The notes to the basic financial statements are an integtral part of this financial statement.

PPS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
REVENUES		
Property and other taxes	$ 318,222	$ 343
State School Fund	265,672	-
State Common School Fund	6,362	-
Federal and state support	21	192,723
Local option taxes	110,472	-
County and intermediate sources	8,987	2,080
Charges for services	2,626	3,031
Extracurricular activities	-	5,727
Investment earnings	8,367	477
Other	9,481	9,848
Total revenues	730,210	214,229
EXPENDITURES		
Current:		
Instruction	376,733	94,771
Support services	343,006	86,095
Enterprise and community services	3,114	31,764
Facilities acquisition and construction	-	164
Debt Service:		
Principal	391	507
Interest and fiscal charges	15	3
Total expenditures	723,259	213,304
Excess (deficit) of revenues over expenditures	6,951	925
OTHER FINANCING SOURCES (USES)		
Transfers in	-	56
Transfers out	(1,282)	-
Issuance from the sale of capital assets	66	-
Issuance of bonds	-	-
Premium on issuance of debt	-	-
Issuance of leases	958	-
Issuance of subscriptions	-	615
Total other financing sources (uses)	(258)	671
Net change in fund balances	6,693	1,596
Fund balances - beginning of year	98,804	35,069
Fund balances - end of year	$ 105,497	$ 36,665

The notes to the basic financial statements are an integral part of this financial statement.

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 145,774	$ 4,190	$ 468,529
-	-	265,672
-	-	6,362
7	11,414	204,165
-	-	110,472
-	-	11,067
79,818	55	85,530
-	-	5,727
4,503	15,401	28,748
-	1,703	21,032
230,102	32,763	1,207,304
-	-	471,504
-	3,321	432,422
-	-	34,878
-	285,284	285,448
147,389	268	148,555
79,350	2	79,370
226,739	288,875	1,452,177
3,363	(256,112)	(244,873)
1,235	610	1,901
-	(619)	(1,901)
-	-	66
-	420,000	420,000
-	44,832	44,832
-	-	958
-	-	615
1,235	464,823	466,471
4,598	208,711	221,598
13,705	521,839	669,417
$ 18,303	$ 730,550	$ 891,015

The notes to the basic financial statements are an integral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2023
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 38)	$	221,598
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report all capital outlay as expenditures. However, in the Statement of Activities the cost of certain assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays in the current period of $311,503 exceeded depreciation, amortization and disposals of $65,897.		245,606
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This is the change in deferred inflow of resources related to property taxes.		2,172
The Internal Service Fund is used to account for all costs incurred for claims arising from workers' compensation losses. The primary funding sources are charges to other funds. This amount is the change in net position for the year.		1,021
Incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activites but they are not reported as expenditures in the governmental funds.		(73)
The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued. Premium amounts are deferred and amortized in the Statement of Activities.		(311,901)
Pension actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.		(47,504)
OPEB actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.		4,974
Change in compensated absences		(558)
Change in interest payable		16,254
Change in net position of governmental activities (page 31)	$	131,589

The notes to the basic financial statements are an integtral part of this financial statement.

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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

ASSETS		
Current Assets		
Cash and cash equivalents	$	8,571
Prepaid items		375
Total current assets		8,946
Noncurrent Assets		
Capital assets, net of accumulated amortization:		
Right-of-use subscription		52
Total assets		8,998
LIABILITIES		
Current Liabilities		
Accounts payable		307
Claims payable		4,491
Subscription payable		26
Total current liabilities		4,824
Long-term Liabilities		
Subscription payable		26
Total long term liabilities		26
Total liabilities		4,850
NET POSITION		
Unrestricted		4,148
Total net position	$	4,148

The notes to the basic financial statements are an integral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2023
(amounts expressed in thousands)

OPERATING REVENUES	
Charges for services	$ 3,567
Total operating revenues	3,567
OPERATING EXPENSES	
Materials and services	318
Claims expense	3,028
Total operating expenses	3,346
Operating income (loss)	221
NON-OPERATING REVENUES	
Federal and state support	460
Other revenue	176
Investment earnings	164
Total non-operating revenues	800
Change in net position	1,021
Net position - beginning of year	3,127
Net position - end of year	$ 4,148

The notes to the basic financial statements are an integtral part of this financial statement.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Cash Flows
For the year ended June 30, 2023
(amounts expressed in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided and used	$	3,567
Cash payments for salaries and benefits		(188)
Cash payments for goods and services		(195)
Cash payments for claims		(2,554)
Net cash provided by (used for) operating activities		630
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Principal payments on subscriptions payable		(26)
Net cash provided by (used for) capital financing activities		(26)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash subsidy from state return to work reimbursements		460
Cash from other revenue		176
Net cash provided by (used for) noncapital financing activities		636
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		164
Net cash provided by investing activities		164
Net increase in cash and cash equivalents		1,404
Cash and cash equivalents at beginning of year		7,167
Cash and cash equivalents at end of year	$	8,571
RECONCILIATION OF OPERATING INCOME TO CASH FROM OPERATING ACTIVITIES		
Operating income	$	221
Adjustments to reconcile operating income to net cash from operating activities:		
Increase in accounts and other payables		97
Increase in claims payable		474
Decrease in accrued wages and benefits		(63)
Amortization of right-of-use subscription		26
Decrease in net pension asset and deferred outflows		41
Decrease in net pension liability and deferred inflows		(152)
Decrease in OPEB asset and OPEB related deferred outflows		7
Decrease in OPEB liability and OPEB related deferred inflows		(21)
Total adjustments		409
Net cash used for operating activities	$	630

The notes to the basic financial statements are an integtral part of this financial statement.

PPS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

School District No. 1J, Multnomah County, Oregon, known as Portland Public Schools or the District, is governed by a seven-member elected board. The District is the special-purpose primary government exercising financial accountability for all public K-12 education within its boundaries. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present all significant activities and organizations of the District. The District reports no component units, nor is the District a component unit of any other entity, and specifically has no relationship or connection with Multnomah County, Oregon.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements except that interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain functional expenses contain an element of indirect cost.

Separate financial statements are provided for Governmental Funds and the Self-Insurance Fund, which is an internal service fund (proprietary fund). The Self-Insurance Fund is included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the internal service fund, all revenues and expenses except interest earnings, transfers, and federal and state support are considered to be related to operations.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and expenditures related to compensated absences are recorded only when payment is due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property taxes and grant reimbursements are considered to be susceptible to accrual, if received in cash by the District or a county collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon thereafter.

The District reports the following major governmental funds:

General Fund – Accounts for the general operations of the District. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's resources are available to the District for any purpose provided they are expended or transferred according to a resolution or policy of the District and/or the laws of Oregon.

Special Revenue Fund – Accounts for revenues and expenditures that are restricted and committed for specific projects. Principal revenue sources are federal, state and local funding.

Debt Service Fund – Accounts for the accumulation of financial resources for the payment of long-term debt principal, interest and related costs. Current debt instruments include General Obligation (GO) bonds, Limited Tax Pension Obligations and Full Faith and Credit Obligations.

Capital Projects Fund – Accounts for financial resources to be used for the acquisition of property, technology, construction or renovation of facilities.

Additionally, the District reports the following internal service fund:

Self-Insurance Fund – Accounts for all workers' compensation activities. The activity and balances of this fund are included in the governmental activities in the government-wide financial statements. The primary resources are charges to other funds, investment earnings and federal and state support. All revenues except for investment revenues and transfers in are considered operating revenue. Operating expenses include salaries, benefits, materials, premium costs, claims, and other related costs.

B. Appropriations and Budgetary Controls

The District prepares a budget for all funds in accordance with the modified accrual basis of accounting, with certain adjustments, and legal requirements set forth in Local Budget Law.

Consistent with Local Budget Law, expenditures are appropriated by fund for each legally adopted annual operating budget at the following levels of control, as appropriate:

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Debt Service
- Contingency
- Fund Transfers

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital outlay expenditures are appropriated within the service levels for Instruction, Support Services, Enterprise and Community Services, and Facilities Acquisition and Construction. Debt service expenditures in the General Fund are generally appropriated within the Support Services level of control. For reporting purposes all other debt service expenditures are segregated from the supporting services budgetary control levels and are presented in the debt service expenditures category.

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriations transfer that alters estimated total expenditures by less than 10.00 percent of any individual fund may be adopted at the regular meeting of the Board of Education. For conditions that require either supplemental appropriations or an increase in expenditures greater than 10.00 percent of an individual fund, a supplemental budget must be adopted, requiring public hearings, publications in newspapers and approval by the Board of Education. Supplemental budgets are submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year. The District had one supplemental budget during budget year 2023.

C. Encumbrances

During the year encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed. All encumbrances expire at year-end.

D. Cash and Cash Equivalents and Investments

For the purpose of the Statement of Cash Flows, the Statement of Net Position and the Balance Sheet, the District's monies in the Oregon Local Government Investment Pool, savings deposits, demand deposits and cash with fiscal agents are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

E. Property Taxes

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the Balance Sheet as receivables. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

F. Inventories and Prepaid Items

Inventories of school operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at cost using the weighted average method. A portion of the inventory consists of commodities purchased from the United States Department of Agriculture (USDA). The commodities are recorded at wholesale market value as provided by the USDA. The District accounts for inventory based on the consumption method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Under the consumption method, inventory is recorded when purchased and expenditures are recorded when inventory items are used. Donated foods consumed during the year are reported as revenues and expenditures. The amount of unused donated food at year-end is immaterial.

Prepaid insurance is related to capital bond construction activity. Prepaid assets are recognized as expenses/expenditures based on the consumption method when their use benefits the District.

G. Capital Assets

Expenditures for capital assets, which include land, buildings and site improvements, construction in progress, and vehicles and equipment are reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance by function. The District defines capital assets as assets with an initial cost exceeding the threshold amounts shown in the schedule below, and an estimated useful life in excess of one year. District capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed, and depreciated or amortized, where appropriate, using the straight-line method. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are recorded as construction in progress and capitalized as projects are completed. When the District determines that an asset has been impaired as defined by GASB Statement No. 42 it adjusts the asset value. Under the pronouncements of GASB Statement No. 51 the District capitalizes intangible asset costs, such as costs relating to internally developed computer software. The intangible asset costs are classified as equipment.

Major asset classifications, useful lives and capitalization thresholds are as follows:

Asset	Capitalization threshold	Useful lives, years
Buildings	$ 25	100
Land & site improvements	25	5 to 25
Equipment	5	5 to 15
Vehicles	5	5 to 8

Lease Assets are assets which the District leases for a term of more than one year. The value of the lease is determined by the net present value of the lease at the District's incremental borrowing rate at the time of the lease agreement, amortized using straight line method over the term of the agreement.

H. Grant Accounting

Unreimbursed expenditures due from grantor agencies are recorded in the financial statements as accounts receivable and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue on the Statement of Net Position and the Balance Sheet.

I. Insurance

The District operates the Self-Insurance Fund to account for the costs of workers' compensation related costs and resources. Charges to other funds are recognized as revenues and as expenditures in the fund incurring the charges. The District accounts for all other insurance related resources and costs, such as general liability claims, property and fire loss claims, and the payment of premiums through the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The District recognizes the liabilities for estimated losses to be incurred from pending claims and for claims incurred but not reported (IBNR). The IBNR claims are estimates of claims that are incurred through the end of the fiscal year but have not yet been reported. These liabilities are based on actuarial valuations.

The District's insurance deductibles and policy limits are as follows:

	Deductibles	Excess Coverage per Occurrence
General and Automobile Claims	$ 1,000	$ 10,000
Property and Fire Claims	1,000	250,000
Earthquake Claims	1,000	75,000
Flood Claims	1,000	75,000
Workers' Compensation Claims	1,000	25,000

The District has not exceeded the claims limitation on its insurance policies for the last five years.

J. Compensated Absences

Depending on years of service and union membership, employees can earn annual vacation leave between 10 days and 22 days per year. Administrators earn 22 days of annual vacation leave. Employees are allowed to carry over twice their maximum yearly earned balances from one fiscal year to another. All outstanding vacation leave is payable upon resignation, retirement, or death. Compensated absences are recognized as liabilities in the District's proprietary fund. Compensated absences are not reported as liabilities in the governmental funds because they have not "matured," meaning they are not yet payable to the employee.

Sick leave accumulates each month without a limit on the total hours that can be accumulated. Accumulated sick leave does not vest and is forfeited at resignation, retirement or death. Sick leave is recorded as an expense/expenditure when leave is taken and no liability is recorded.

K. Receivables and Payables

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the governmental fund financial statements. Other receivables are offset by unearned revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded on the Statement of Net Position/Balance Sheet.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements, and are eliminated in the government-wide statements.

L. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations including accrued compensation and claims are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as outflows of resources (expenses) in the period incurred.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs as incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Leases and subscriptions payable are reported in the government-wide financial statements as liabilities. The total contract amount is recognized at the net present value of payments expected to be made during the contract term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District as other financing sources at issuance.

M. Retirement Plans

Most District employees participate in Oregon's Public Employees Retirement System (OPERS). Contributions are made as required by the plan and are recorded as expense/expenditures. Pension benefits are explained in Note 11.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized by OPERS when due and payable in accordance with the benefit terms. OPERS investments are reported at fair value.

The District provides tax-deferred annuity contracts established under Section 403(b) of the Internal Revenue Code. Participation in the program is voluntary. Contributions are made from salary deductions from participating employees within the limits specified in the Code. This plan is accounted for under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*.

The District also provides a single-employer defined benefit early retirement program (Note 11-B). The stipend benefit is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. This plan is accounted for under the provisions of GASB Statement No. 73.

N. Other Post-Employment Benefits

The District is mandated to contribute to Retirement Health Insurance Accounts (RHIAs) for eligible District employees who are members of OPERS, and were plan members before January 1, 2004. The plan was established by the Oregon Legislature.

The Retirement Health Insurance Subsidy (RHIS) is a health and welfare program the District provides for retirees. The plan is actuarially determined, is reflected as a long-term liability in the government–wide financial statements, and reflects the present value of expected future payments. The net other post-employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year, and are reported on the pay-as-you-go basis.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Certificated employees who have met the requirements for age and years of service with the District are eligible for early retirement benefits (Note 11-B), which includes early retirement benefits and other post-employment benefits as explained in Note 12.

Both plans are accounted for under the provisions of GASB Statement No. 75.

O. Net Position

Net position represents the difference between the District's total assets and deferred outflows and total liabilities and deferred inflows. District net position currently has three components:

Net investment in capital assets represents capital assets plus unspent bond proceeds less accumulated depreciation and outstanding principal of capital asset related debt.

Restricted net position represents net position upon which constraints have been placed, either externally by creditors, grantors, contributors or others, or legally constrained by law.

Unrestricted net position represents net position that does not meet the definition of "restricted" or "net investment in capital assets".

P. Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Q. Lease Receivable

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

R. Management Estimates

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. Fund Balance Definitions

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Governmental fund balance definitions, from most to least restrictive are:

1. *Non-spendable fund balances* – Amounts that are not in spendable form or due to legal or contractual requirements. Examples of resources in this category are prepaid amounts, inventory or notes receivable.
2. *Restricted fund balances* – Amounts constrained to specific purposes by their providers (such as grantors or bond holders), through constitutional provisions or by enabling legislation. These are primarily amounts subject to externally enforceable legal restrictions.
3. *Committed fund balances* – Amounts constrained to specific purposes by resolution of the District's Board. The District's Board can modify or rescind a commitment at any time through passage of a new resolution. In order to commit fund balances the District must take formal action prior to the close of the fiscal year.
4. *Assigned fund balances* – Amounts the District intends to use for a specific purpose that are neither restricted nor committed are reported as assigned fund balance. Intent can be expressed by the Board or delegated authority to an official. An example of assignment is when the District's Board adopts the annual budget which includes funds identified as reserved for a specific purpose.
5. *Unassigned fund balance* – Amounts not included in other classifications above. The amount represents spendable fund balance that is not restricted, committed or assigned in the General Fund. This classification is also used to report any deficit fund balance amounts in other governmental funds.

The District's Board has passed resolution number 4461 titled: *Compliance with Governmental Accounting Standards Board Statement No. 54 (GASB 54): Fund Balance Reporting and Governmental Fund Type Definitions*. The resolution reads as follows:

- The Board affirms that it is the highest level decision authority for the District.
- The Board hereby delegates the authority to classify portions of ending fund balance as "Assigned" to the Superintendent.
- The Board adopts GASB 54 definitions for Non-spendable, Restricted, Committed, Assigned and Unassigned fund balances.
- In conjunction with the adoption of GASB 54 fund balance classifications, the Board declares its budgeting practices and budget allocations for restricted and unrestricted fund balance amounts will be consistent with the fund balance classification hierarchy.
- The Board hereby adopts GASB 54 definitions of fund types for the General Fund, special revenue funds, debt services funds, capital projects funds, and permanent funds.

T. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District first applies the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District first applies the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances, before using unassigned fund balances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

U. Fund Balance Policy

Per District board policy 8.10.025P, updated in June 2019, the Board has established a goal to fund and maintain a reserve in the General Fund that shall range from 5.00 percent to 10.00 percent of annual General Fund revenues. The goals for the reserve will be set as part of the District's long-range financial plan, with an expectation that the District will achieve and sustain a 10.00 percent reserve. The Board shall establish an annual operating contingency each fiscal year during the budget process.

V. Stabilization Arrangements

The District established a PERS Rate Stabilization Reserve Fund by Board Resolutions 2679, adopted on June 16, 2003, and 4471, adopted on June 27, 2011. The purpose of the Fund is to minimize effects of large fluctuations in the PERS rate assessed against District salaries and wages, and to repay the 2002 and 2003 PERS UAL borrowings. This Fund resides within the Special Revenue Fund, and the primary revenue source is 0.11 percent of Current Year Permanent Rate and GAP Property Taxes. Use of the resources must be authorized through formal Board resolution. In any given year, funds may be transferred to the General Fund not to exceed either 1) the increase in PERS rate over rates in effect at June 30, 2011; or 2) the increase in the internally charged PERS UAL fringe rate over the fringe rate in effect at June 30, 2011, multiplied by the PERS eligible budgeted salary base for that year. The ending fund balance in the PERS Rate Stabilization Reserve Fund at June 30, 2023 is $19,056.

W. New Accounting Standards Implemented

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* requires recognition of subscription-based information technology arrangements (SBITAs) for governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The District reports financial position, results of operations, and changes in fund balance / net position on the basis of accounting principles generally accepted in the United States (GAAP). The budgetary statements provided as part of required or other supplementary information are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS - continued

The District's tax rates for the year ended June 30, 2023 are as follows:

Permanent rate	$ 5.2781 per $1 thousand of assessed value
Local option rate	$ 1.9900 per $1 thousand of assessed value
GO Bond Levy amount	$ 151,000,000 (unrounded dollars)

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with financial institutions include bank demand deposits, deposits in the Local Government Investment Pool, time certificates of deposit and savings account deposits, as authorized by Oregon statutes.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2023, the District's cash, cash equivalents, and investments were comprised of the following:

	June 30, 2023	Fair Value Measurements Using
Oregon Local Government Investment Pool	$ 82,609	N/A
Cash held in trust with LGIP and US Bank	1,467	
Cash in demand deposits	289,852	N/A
Petty cash	6	N/A
Total cash and cash equivalents	373,934	
Cash and cash equivalents held by fiscal agents	4,735	N/A
US Treasury securities	204,084	Level 1
US Government agency securities	227,528	Level 2
Commercial Paper	280,354	Level 2
Municipal Bonds	6,209	Level 2
Total investments	718,175	
Total cash, cash equivalents and investments	$ 1,096,844	

A. Investments

Accounting principles generally accepted in the United States of America require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments with maturities of less than one year are carried at amortized cost.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued

Investments in the Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to twenty-five percent of the LGIP portfolio may mature in over one year and no investment may mature in over three years.

The District requires all securities to be purchased in the District's name and held in third party safekeeping.

The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2023 are categorized by Moody's and Standard and Poor's ratings as follows:

Moody's Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
Aaa	$ 399,366	$ 93,305	$ 6,209	$ 498,879
Aa2	-	9,670	-	9,670
Aa3	-	53,780	-	53,780
A1	-	89,143	-	89,143
P1	-	34,456	-	34,456
NR	32,246	-	-	32,246
	$ 431,612	$ 280,354	$ 6,209	$ 718,175
Weighted Average Maturity (Yrs)	0.85	0.51	0.42	0.71

S&P Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
AAA	$ -	$ 44,474	$ -	$ 44,474
AA+	399,366	48,830	6,209	454,405
AA	-	14,752	-	14,752
AA-	-	14,839	-	14,839
A+	-	60,341	-	60,341
A	-	74,392		74,392
A1	-	22,726	-	22,726
NR	32,246	-	-	32,246
	$ 431,612	$ 280,354	$ 6,209	$ 718,175
Weighted Average Maturity (Yrs)	0.85	0.51	0.42	0.71

Interest rate risk

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio so that securities mature to meet ongoing operations.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued

Credit risk

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon, Washington, Idaho, and California (subject to specific standards), and the LGIP, among others. The Board of Education has adopted a policy which complies with state statutes.

Concentration of credit risk-investments

In accordance with GASB 40, the District is required to report all individual non-federal investments which exceed 5.00 percent of total invested funds. As of June 30, 2023 the District held the following individual non-federal assets that exceeded 5.00 percent of total invested funds:

	Value	Percentage of Total Investments
Apple Inc	$ 48,831	6.80%

Custodial risk-deposits

The District's deposits with financial institutions are insured by the Federal Depository Insurance Corporation (FDIC); interest and non-interest bearing accounts are insured up to $250 thousand. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At June 30, 2023, bank balances of $1,250 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2023, the carrying amount of the District's balance was $289,852 and the bank balance was $293,834.

Custodial credit risk-investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. Investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution.

Professional standards indicate that the investments in external investment pools are subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to LGIP investments.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2023 are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts and other receivables:					
Interest Receivable	$ 15	$ 146	$ -	$ 2,124	$ 2,285
Accounts receivable	2,688	3,831	-	1,875	8,394
Federal, state and local grants	-	85,491	-	-	85,491
Total accounts and other receivables	2,703	89,468	-	3,999	96,170
Property and other taxes receivable	11,684	-	3,557	-	15,241
Total	$ 14,387	$ 89,468	$ 3,557	$ 3,999	$ 111,411

Lease Receivables at June 30, 2023 are summarized as follows:

	Original Amount	Outstanding at June 30, 2022	Additions	Decreases	Outstanding at June 30, 2023
Riverdale Land Lease, interest at 2.583%, principal and interest ranges from $19 to $46 monthly, due 2051	$ 7,328 -	$ 7,267	$ -	$ (54)	$ 7,213
Trillium Building Lease, interest at 0.972%, principal and interest ranges from $14 to $16 monthly, due 2026	809	703	-	(165)	538
Total	$ 8,137	$ 7,970	$ -	$ (219)	$ 7,751

NOTE 6 – PREPAID ITEMS

A summary of changes in prepaid items for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Postage	$ 280	$ 160	$ (392)	$ 48
Insurance	2,730	2,480	(2,409)	2,801
Workers Compensation Prefund	375	-	-	375
Other	1,947	452	(1,967)	432
Total Prepaid Assets	$ 5,332	$ 3,092	$ (4,768)	$ 3,656

Prepaid insurance consists of Owner Controlled Insurance Program (OCIP), which provide liability coverage for major construction contracts, and builders risk insurance for high school rebuilds. The District has two OCIP policies being amortized over five years. OCIP I is being amortized April 2019 to April 2024. OCIP II is being amortized June 2020 to June 2025. The District has two builder's risk policies for Benson High School. One being amortized over 22 months, August 2022 to May 2024 and the other being amortized over 22 months, December 2022 to September 2024.

The District is self-insured for workers' compensation claims. The Workers Compensation Prefund is an escrow account held by the District's third-party administrator for monthly payment of claims.

NOTE 7 – CAPITAL AND RIGHT-OF-USE ASSETS

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized					
Land	$ 9,174	$ -	$ -	$ -	$ 9,174
Construction in progress	343,471	286,135	(15,224)	(49,195)	565,187
Total capital assets not being depreciated or amortized	352,645	286,135	(15,224)	(49,195)	574,361
Capital assets being depreciated or amortized					
Buildings and site improvements	1,267,251	2,613	(12,220)	48,895	1,306,539
Vehicles and equipment	98,775	2,732	(393)	300	101,414
Right-of-use leased equipment	-	958	-	-	958
Right-of-use subscription asset	-	19,065	-	-	19,065
Total capital assets being depreciated or amortized	1,366,026	25,368	(12,613)	49,195	1,427,976
Total general capital assets	1,718,671	311,503	(27,837)	-	2,002,337
Less accumulated depreciation and amortization					
Buildings and site improvements	(294,181)	(29,735)	9,555	-	(314,361)
Vehicles and equipment	(40,430)	(13,228)	388	-	(53,270)
Right-of-use leased equipment	-	(80)	-	-	(80)
Right-of-use subscription asset	-	(4,960)	-	-	(4,960)
Total accumulated depreciation and amortization	(334,611)	(48,003)	9,943	-	(372,671)
Total capital assets, net of accumulated depreciation	$ 1,384,060	$ 263,500	$ (17,894)	$ -	$ 1,629,666

Depreciation expense for governmental activities is charged to functions as follows:

Instruction	$ 40,549
Supporting services	2,248
Enterprise and Community Services	166
	$ 42,963

Amortization expense for governmental activities is charged to functions as follows:

Instruction	$ 177
Supporting services	1,220
Enterprise and Community Services	3,643
	$ 5,040

As of June 30, 2023 the District has one school that was closed and idle: Smith elementary school. As of June 30, 2023, the carrying value of this school is $410 and is included in the capital assets summary above.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund balances represent cash owed by one fund to another. Interfund receivables and payables at June 30, 2023 are as follows:

	Due From	Due To
General Fund	$ 82,060	$ 744
Special Revenue Fund	744	82,060
	$ 82,804	$ 82,804

There is a $744 interfund balance between the General Fund and the Special Revenue Fund for monies invested on behalf of Student Body Fund accounts. The Special Revenue Fund was advanced $82,060 by the General Fund to cover unbilled expenditures.

The composition of interfund transfers as of June 30, 2023, is as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 1,282
Special Revenue Fund	56	-
Debt Service Fund	1,235	-
Capital Projects Fund	610	619
	$ 1,901	$ 1,901

The District's General Fund made debt service transfers totaling $616 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit obligations. The District's General Fund also made transfers totaling $56 to the Special Revenue Fund to cover write-offs. The District's General Fund made transfers of $610 to the Capital Asset Fund for capital asset renewals. The Capital Projects Fund made transfers of $619 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit and QZAB obligations.

NOTE 9 – ACCRUED COMPENSATED ABSENCES

The General Fund and Special Revenue Fund are the primary funds from which the compensated absences balance liability is liquidated.

The change in the balance of accrued compensated absences for the year was as follows:

Outstanding June 30, 2022	Increases	Payments	Outstanding June 30, 2023	Due Within One Year
$ 6,464	$ 5,538	$ (4,980)	$ 7,022	$ 4,085

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES

Changes in District long-term debt during fiscal year 2023 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
Pension debt:						
Limited tax pension bonds						
Series 2002	$ 210,104	$ 126,680	$ -	$ (17,945)	$ 108,735	$ 20,155
Series 2003	281,170	163,906	-	(7,536)	156,370	28,665
Series 2021	399,390	388,600	-	(12,815)	375,785	13,420
Total pension debt (Note 11)	890,664	679,186	-	(38,296)	640,890	62,240
Other Debt:						
Recovery Zone Economic Development Bonds	11,000	607	-	(607)	-	-
General Obligation Bonds Series 2013B	68,575	3,160	-	(3,160)	-	-
General Obligation Bonds Series 2015B	244,700	110,410	-	(6,340)	104,070	6,980
QZAB Series 2016	4,000	3,000	-	(200)	2,800	200
Full Faith and Credit Obligations Series 2016	5,048	3,613	-	(315)	3,298	325
General Obligation Bonds Series 2017B	241,890	175,380	-	(2,650)	172,730	2,985
General Obligation Bonds Series 2020	441,320	344,765	-	(36,945)	307,820	40,430
General Obligation Bonds Series 2020B	365,465	325,225	-	(57,970)	267,255	-
General Obligation Bonds Series 2020C	53,965	52,520	-	(905)	51,615	4,070
General Obligation Bonds Series 2023	420,000	-	420,000	-	420,000	56,785
Total other debt	1,855,963	1,018,680	420,000	(109,092)	1,329,588	111,775
Total long-term debt	$ 2,746,627	1,697,866	420,000	(147,388)	1,970,478	174,015
Unamortized bond premium (discount)		119,244	44,832	(8,128)	155,948	9,307
Total long-term debt, net of premiums (discounts)		$ 1,817,110	$ 464,832	$ (155,516)	$ 2,126,426	$ 183,322

A. Limited Tax Pension Bonds

In October 2002 Portland Public Schools participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds. The proceeds were used to finance a portion of the estimated unfunded actuarial liability of each participating school district with the Oregon Public Employees Retirement System ("OPERS"). The Oregon School Boards Association ("OSBA") sponsored this pooled limited tax pension bond program. The OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district's pension bonds or liabilities to OPERS. In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. Payments of yearly principal and interest are recorded as financial statement expenditures in instruction and in support services. The District anticipates the total costs of financing the District's actuarial obligation in this manner will result in a significant savings to the District when compared to paying for such costs as additional contribution rates to OPERS.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

The District issued $210,104 Limited Tax Pension Bonds, Series 2002 (Federally Taxable), of which $53,524 are Series 2002A (deferred interest bonds) and $156,580 are Series 2002B (current interest bonds). The 2002 series Limited Tax Pension Bonds were issued on October 31, 2002, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at a yield of 6.10 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48 to 5.55 percent. The Series 2002A Bonds are not subject to optional prepayment prior to maturity. The Series 2002B Bonds maturing June 30, 2021, shall be subject to prepayment from pension prepayments on or after June 30, 2009, and those due June 30, 2028 are subject to mandatory prepayment prior to its stated maturity, in whole or part, on any June 30 on or after June 30, 2024.

The District issued $281,170 Limited Tax Pension Bonds, Series 2003 (Federally Taxable), of which $124,800 are Series 2003A (deferred interest bonds) and $156,370 are Series 2003B (current interest bonds). The Series 2003 series Limited Tax Pensions Bonds were issued on April 30, 2003, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted payable semiannually at rates ranging from 5.45 to 6.27 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.45 to 6.27 percent. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

On July 15, 2021 the District issued $399,390 in Limited Tax Pension Bonds, Series 2021. The interest rate is fixed at rates ranging from 0.30 to 2.50 percent and interest payments on the bonds are payable semiannually in June and December. The bonds mature on June 30, 2040 if not redeemed earlier pursuant to optional early redemption. The Series 2021 bonds maturing in years 2022 through 2031 are not subject to optional redemption. The Series 2021 bonds maturing on or after June 30, 2032 are subject to optional prepayment in whole or in part at the option of the District.

Under the terms of the borrowing agreements for the 2002 and 2003 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby Wells Fargo Bank Northwest NA, as the trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with LGIP. Under the terms of the borrowing agreement for the 2021 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby U.S. Bank NA, as Trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with U.S. Bank NA. Wells Fargo Bank Northwest NA and U.S. Bank NA then make the scheduled semi-annual debt service payments from the LGIP or U.S. Bank NA trust accounts respectively.

B. General Obligation Bonds

As part of a $482 million capital bond measure passed by District voters in 2012, the District issued the following General Obligation debt to finance school renovation and replacement:

On May 1, 2013 the District issued $68,575 in General Obligation Bonds, Series 2013B. The interest rate on the outstanding Bonds is fixed at 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of $7,923 which is being amortized over the life of the bonds.

On April 30, 2015 the District issued $244,700 in General Obligation Bonds, Series 2015B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2015. The Series 2015B Bonds maturing on or after 2026 are subject to redemption, at the option of the District, in whole or part, on or after June 15, 2025. The bonds mature on June 15,

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

2033 with principal payments due annually on June 15. The bonds were issued at a premium of $33,178 which is being amortized over the life of the bonds.

On August 10, 2017 the District issued $62,160 in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds are not subject to early redemption prior to maturity. The bonds mature on June 15, 2030, with principal payments due annually on June 15. The bonds were issued at a premium of $9,854 which is being amortized over the life of the bonds.

As part of a $790 million capital bond measure passed by District voters in 2017, the District has issued the following General Obligation debt to finance school renovation and replacement:

On August 10, 2017 the District issued $179,730 in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds maturing on June 15, 2028 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2027 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2044 with principal payments due annually on June 15. The bonds were issued at a premium of $1,051 which is being amortized over the life of the bonds.

On April 14, 2020 the District issued $441,320 in General Obligation Bonds, Series 2020. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2020. The Series 2020 Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2037 with principal payments due annually on June 15. The bonds were issued at a premium of $68,202 which is being amortized over the life of the bonds.

As part of a $1,208 million capital bond measure passed by District voters in 2020, the District has issued the following General Obligation debt to finance school renovation and replacement:

On December 30, 2020 the District issued $365,465 in General Obligation Bonds, Series 2020B. The interest rate is fixed at rates ranging from 1.50 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2021. The Series 2020B Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2046 with principal payments due annually on June 15. The bonds were issued at a premium of $29,574 which is being amortized over the life of the bonds.

On December 30, 2020 the District issued $53,965 in General Obligation Bonds, Series 2020C. The interest rate is fixed at rates ranging from 1.05 to 2.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning June 15, 2021. The Series 2020C Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of $1,631 which is being amortized over the life of the bonds.

On April 27, 2023 the District issued $420,000 in General Obligation Bonds, Series 2023. The interest rate is fixed at rates ranging from 4.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2023. The Series 2023 Bonds maturing on June 15, 2034 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2033 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2049 with principal payments due annually on June 15. The bonds maturing on June 15, 2049 are subject to partial mandatory redemption on June 15, 2047 and June 15, 2048. The bonds were issued at a premium of $44,832 which is being amortized over the life of the bonds.

C. Other Debt

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the City of Portland was awarded $13,500 in Recovery Zone Economic Development Bonds (RZEDBs). In July 2010, the City sub-awarded $11,000 of the RZED bonds to Portland Public Schools, which are being used to complete energy and water conservation projects that will financially benefit the District in reduced energy and water costs and will yield on-going financial benefit once the bonds are paid off. The District made semi-annual interest payments and annual principal payments, and the bonds matured on December 1, 2022. The bond's interest payments of 5.05 percent were 42.4 percent federally subsidized.

On November 9, 2016 the District issued $5,048 in Full Faith and Credit Obligations, Series 2016. The interest rate is fixed at 2.99 percent. Interest payments on the obligations are payable semiannually in June and December, beginning June 1, 2018. The obligations mature on December 1, 2031, with principal payments due annually on December 1. The obligations carry a prepayment option such that any or all outstanding maturities may be redeemed on or after December 1, 2018. The bonds were issued at par.

On August 4, 2016 the District issued $4,000 in Qualified Zone Academy Bonds (QZAB), Series 2016. The District pays no interest rate over the 20 year term of the bonds. The bonds carry a 4.39 percent interest rate for structuring purposes, but the purchaser of the bonds receives a Federal tax credit in lieu of interest earnings. The bonds mature on August 4, 2036 with level principal payments due annually on August 4.

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013B, 2015B, 2017B, 2020, 2020B, 2020C and 2023 GO Bonds mentioned immediately above, the District participated in the Oregon School Bond Guaranty program (ORS 328.321 to 328.356), whereby the State of Oregon (State) guarantees all principal and interest payments until maturity will be made to bondholders when due. Should the District fail to make a payment of debt service on these bonds when due, the State will make the payment on behalf of the District, and then will seek recovery from the District. The State may recover funds by means of intercepting any source of operating moneys normally remitted from the State to the District. Since the inception of the bonds, the District has not used the guarantee, and there are no outstanding amounts due to the State of Oregon as of June 30, 2023.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

Federal arbitrage restrictions apply to substantially all debt. Any liabilities to the federal government are accrued and paid when due. Long-term debt payments are made from the debt service funds.

Future annual debt service requirements for the District are as follows:

Fiscal Year	Limted Tax Pension Bonds	Other Full Faith & Credit	General Obligation Bonds	QZAB	Total
Principal:					
2024	$ 62,240	$ 325	$ 111,250	$ 200	$ 174,015
2025	68,320	335	124,315	200	193,170
2026	76,755	345	55,205	200	132,505
2027	83,940	355	60,690	200	145,185
2028	50,670	365	66,345	200	117,580
2029-2033	104,840	1,573	304,660	1,000	412,073
2034-2038	142,605	-	230,065	800	373,470
2039-2043	51,520	-	197,160	-	248,680
2044-2048	-	-	147,275	-	147,275
2049-2053	-	-	26,525	-	26,525
Total Principal	640,890	3,298	1,323,490	2,800	1,970,478
Interest:					
2024	$ 22,440	$ 94	$ 54,320	$ -	$ 76,854
2025	19,626	84	46,220	-	65,930
2026	16,447	74	40,133	-	56,654
2027	12,818	63	37,509	-	50,390
2028	8,811	52	34,802	-	43,665
2029-2033	29,950	95	132,062	-	162,107
2034-2038	16,733	-	81,318	-	98,051
2039-2043	1,711	-	44,480	-	46,191
2044-2048	-	-	18,611	-	18,611
2049-2053	-	-	1,061	-	1,061
Total Interest	128,536	462	490,516	-	619,514
Total Debt Service	$ 769,426	$ 3,760	$ 1,814,006	$ 2,800	$ 2,589,992

D. Lease Payables

Per GASB 87, lease payables are recognized at the net present value of payments expected to be made during the lease term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District.

On February 1, 2023 the District entered into a long-term agreement as the lessee to lease print shop equipment. The lease amount is $17 per month for a term of 120 months including interest at a rate of 2.68 percent. The final lease payment is due January 31, 2033. The lease agreement provides for up to five extension options of twelve months each. The District has a termination period of one month as of the lease commencement date.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

Changes in lease payable are as follows:

Description	Outstanding July 1, 2022	Increases	Decreases	Outstanding June 30, 2023
Print shop equipment	$ -	$ 958	$ (61)	$ 897
Total lease payables	$ -	$ 958	$ (61)	$ 897

Future lease payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 186	$ 22	$ 208
2025	192	16	208
2026	197	11	208
2027	202	6	208
2028	120	1	121
	$ 897	$ 56	$ 953

E. Subscription Based Information Technology Agreement (SBITA) Payables

Per GASB 96, SBITA Payables are recognized at the net present value of payments expected to be made during the agreement term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District. The District has multiple agreements with various entities. SBITA expenses totaled approximately $18,449 for the year ended June 30, 2023.

Changes in SBITA payables are as follows:

Description	July 1, 2022	Increases	Decreases	June 30, 2023
Total SBITA payables	$ -	$ 2,818	$ (1,130)	$ 1,688

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

The District has previously entered into multiple subscription-based information technology arrangements (SBITA) for software licenses that extend over a year. All SBITAs either had an initial payment for the entire period or have a schedule of payments over the contract period.

The breakdown of the SBITAs are as follows:

Commencement	End Date	Initial Asset Value	Net Asset Value as of June 30, 2023	Initial Subscription Liability	Associated Interest Rate	Subscription Liability as of June 30, 2023
7/1/2022	7/31/2023	$ 82	$ 6	$ -	N/A	$ -
7/1/2022	9/14/2023	115	20	-	N/A	-
7/1/2022	9/18/2023	186	33	-	N/A	-
7/1/2022	9/30/2023	74	15	-	N/A	-
7/1/2022	11/30/2023	230	68	230	1.7103%	115
7/1/2022	3/31/2024	250	107	-	N/A	-
7/1/2022	6/30/2024	404	202	404	2.0237%	200
7/1/2022	7/31/2024	2,417	1,257	-	N/A	-
7/1/2022	9/23/2024	87	48	87	2.0237%	43
7/1/2022	9/30/2024	145	81	145	2.0237%	72
7/1/2022	6/30/2025	388	258	388	2.1843%	260
7/1/2022	6/30/2025	154	103	154	2.1843%	102
7/1/2022	6/30/2025	476	317	476	2.1843%	230
7/1/2022	6/30/2025	615	410	615	2.1843%	406
7/1/2022	6/30/2026	133	100	-	N/A	-
7/1/2022	1/31/2027	61	48	61	2.3657%	60
7/1/2022	3/31/2027	258	204	258	2.3657%	200
7/1/2022	5/24/2028	4,839	4,019	-	N/A	-
7/1/2022	6/14/2028	4,944	4,114	-	N/A	-
8/10/2022	8/9/2025	448	315	-	N/A	-
8/10/2022	8/9/2025	755	530	-	N/A	-
8/10/2022	8/9/2028	794	676	-	N/A	-
8/18/2022	9/14/2028	55	47	-	N/A	-
5/24/2023	5/23/2029	341	335	-	N/A	-
6/11/2023	6/12/2025	815	792	-	N/A	-
			$ 14,105			$ 1,688

Future subscription payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 992	$ 37	$ 1,029
2025	591	15	606
2026	93	2	95
2027	12	-	12
	$ 1,688	$ 54	$ 1,742

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

F. Accrued Interest Payable

Changes in District accrued interest during fiscal year 2023 were as follows:

Accrued Interest:	Beginning Balance	Additions	Payments and Reductions	Ending Balance
Current Portion				
Bond	$ 18,666	63,066	$ (79,350)	$ 2,382
Lease	-	10	(8)	2
Subscriptions	-	39	(11)	28
Total Accrued Interest	$ 18,666	$ 63,115	$ (79,369)	$ 2,412

NOTE 11 – PENSION PLANS

Pension Plans -Summary

The District offers a cost-sharing multiple-employer defined benefit plan through the Oregon Public Employees Retirement System (OPERS) and a single-employer defined benefit early retirement stipend (Stipend). The breakdown of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions are:

	OPERS	Stipend	Net
Total Pension Liability	$ (201,914)	$ (5,985)	$ (207,899)
Total Pension Expense	$ 49,890	$ 586	$ 50,476
Pension Deferred Outflows of Resources	$ 368,727	$ 1,844	$ 370,571
Pension Deferred Inflows of Resources	$ (232,637)	$ (226)	$ (232,863)

A. Oregon Public Employees Retirement System (OPERS)

General Information about the Pension Plan

Name of the pension plan: The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan, administered by the Public Employees Retirement Board with authority granted by the Oregon Legislature.

Plan description. Employees of the District are provided with pensions through OPERS. The General Fund and the Special Revenue Fund are the primary funds from which the pension liability is liquidated. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a). The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at:

https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

NOTE 11 – PENSION PLANS – continued

Benefits provided under Chapter 238 - Tier One / Tier Two Retirement Benefit Plan

1. *Pension Benefits.* The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

   A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

2. *Death Benefits*. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
   - the member was employed by an OPERS employer at the time of death,
   - the member died within 120 days after termination of OPERS-covered employment,
   - the member died as a result of injury sustained while employed in an OPERS-covered job, or
   - the member was on an official leave of absence from an OPERS-covered job at the time of death.

3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

4. *Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying equity investments of that account.

   Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.00 percent.

NOTE 11 – PENSION PLANS – continued

Benefits provided under Chapter 238A - Oregon Public Service Retirement Plan (OPSRP)

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

   This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

   General Service: 1.50 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

   A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. *Death Benefits*. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased.

3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA vary based on the amount of the annual benefit.

Contributions:

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments to establish side accounts, and their rates have been reduced.

The District's rates in effect for the fiscal year ended June 30, 2023 were:

Tier One / Tier Two	0.00%
OPSRP General Service	0.00%

The District contributed approximately $4,486 for the year ended June 30, 2023.

NOTE 11 – PENSION PLANS – continued

Actuarial Valuations:

The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One / Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
COLA	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	***Healthy retirees and beneficiaries*:** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation ***Disabled retirees:*** Pub-2010 Disabled Retiree sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2022

NOTE 11 – PENSION PLANS – continued

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study.

Discount Rate:
The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection:

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

NOTE 11 – PENSION PLANS – continued

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target Allocation
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	25.0	35.0	30.0
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Risk Parity	0.0	3.5	2.5
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	0.0	5.0	0.0
Total			100.0 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2022

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation – Mean		2.40 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2022

NOTE 11 – PENSION PLANS – continued

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate:

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90 percent) or one percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$358,077	$201,914	$71,213

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report available at: : http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2023, the District reported a liability of $201,914 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At June 30, 2023, the District's proportion was 1.32 percent, which is a decrease of 0.92 from the District's proportion of 2.24 percent for the year ended June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of $49.9 million for the defined benefit portion of the pension plan. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension changes in employer proportion	$ 39,642	$ (156,262)
Pension differences between employer contribution and proportionate share of contributions	283,116	(38,729)
Pension differences between expected and actual experience	9,801	(1,259)
Pension differences due to changes in assumptions	31,682	(289)
Pension differences between expected and actual earnings	-	(36,098)
Total (prior to post-measurement date contributions)	364,241	(232,637)
Pension contributions subsequent to measurement date	4,486	-
Net Deferred Outflow/(Inflow) of Resources	$ 368,727	$ (232,637)

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2022

NOTE 11 – PENSION PLANS – continued

The deferred outflow of resources of $4.5 million resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years		Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2024	$	21,774
Fiscal Year 2025		29,909
Fiscal Year 2026		13,647
Fiscal Year 2027		48,361
Fiscal Year 2028		17,911
Total	$	131,602

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2022

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP of OPSRP. OPERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is a part of OPERS and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a $200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

NOTE 11 – PENSION PLANS – continued

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the District contribute 6.0 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023. Included in accrued liabilities at June 30, 2023 are $2.1 million for employee contributions owed to the plan.

B. District Plan – Stipend

Plan Description

The District provides a single-employer defined benefit early retirement program for members of the Portland Association of Teachers (PAT), physical therapists, occupational therapists and licensed administrators. Certificated employees with 15 consecutive years of at least half time service with the District, and who are eligible to retire under OPERS, and who retired before age 62 are eligible for the early retirement benefits. Eligible employees are entitled to a monthly benefit of $425 dollars commencing on the first month after the retirement. Benefits are payable up to the earlier of attaining age 62 or receiving 60 monthly payments. The General Fund and the Special Revenue Fund are the primary funds from which the stipend liability is liquidated. The District does not issue a separate stand-alone financial report for this plan. The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis, and there are no assets accumulated in a trust. The program was established under separate bargaining agreements and may be amended by the District under new collective bargaining agreements.

Total Stipend Liability

The District's total stipend liability of $6.0 million was measured as of June 30, 2022, rolled forward to June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

NOTE 11 – PENSION PLANS – continued

Actuarial Assumptions and Other Inputs

The total Stipend liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Inflation	2.40%
Projected salary growth	3.40%
Discount rate	3.54%
Withdrawal, retirement, and mortality rates	December 31, 2020 Oregon PERS valuation
Lapse rates	5% annual lapse rate
Actuarial cost method	Entry Age Normal Level Percent of Pay
Demographic Assumptions	
Mortality	Pub-2010 sex-distinct base tables, as specified below. **Male retiree:** Blend 80% Teachers and 20% general Employees, no set back **Male spouse:** General Employees, set back 12 months **Female retiree**: Teachers, no set back **Female spouse**: General Employees, no set back
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on gender and duration from hire date.
Retirement	Based on Oregon PERS assumption. Annual rates are based on age, Tier/OPSRP, and duration of service

Discount Rate – Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2023 reporting date is 3.54 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

NOTE 11 – PENSION PLANS – continued

Changes in the Total Stipend Liability:

	Total Stipend Liability
Balance at 6/30/2022	$ 5,468
Changes for the year:	
Service cost	185
Interest	113
Effect of economic/demographic gains or losses	1,285
Effect of assumptions changes or inputs	(274)
Benefit payments	(792)
Net changes	517
Balance at 6/30/2023	$ 5,985

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% in 2022 to 3.54% in 2023.

Sensitivity of the total stipend liability to changes in the discount rate. The following presents the total stipend liability of the District, as well as what the District's total stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total Stipend Liability	$ 6,200	$ 5,985	$ 5,767

Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Stipend

For the year ended June 30, 2023, the District recognized stipend benefit of $586. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the stipend from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
Pension differences between expected and actual experience	$ 1,010	$ -
Pension differences due to changes in assumptions	10	(226)
Total (prior to post-measurement date contributions)	1,020	(226)
Pension contributions subsequent to measurement date	824	-
Net Deferred Outflow/(Inflow) of Resources	$ 1,844	$ (226)

NOTE 11 – PENSION PLANS – continued

Deferred outflows of resources related to the stipend of $824 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the stipend will be recognized in the stipend expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2024	$ 272
Fiscal Year 2025	250
Fiscal Year 2026	247
Fiscal Year 2027	25
Total	$ 794

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) - Summary

The District offers a retirement health insurance subsidy (RHIS) and contributes to a retirement health insurance account (RHIA) through OPERS. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	RHIS	RHIA	Net
Total OPEB Liability	$ (80,123)	$ -	$ (80,123)
Net OPEB Asset	$ -	$ 18,153	$ 18,153
Total OPEB Expense	$ (6,705)	$ (4,827)	$ (11,532)
OPEB Deferred Outflows of Resources	$ 24,122	$ 332	$ 24,454
OPEB Deferred Inflows of Resources	$ (7,125)	$ (6,202)	$ (13,327)

A. Retirement Health Insurance Subsidy (RHIS)

Plan Description

The District provides a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses for employees who have retired from the District with a minimum of fifteen accumulated years of service and are eligible to retire from the Oregon retirement system. There are 6,011 active and 399 retired members or beneficiaries currently receiving benefit payments in the plan. Covered employees under the plan are eligible to receive full or part District-paid medical and pharmacy benefits for up to 60 months, or until reaching age 65, whichever comes first. The District also pays a portion of the spouse/domestic partner medical and pharmacy costs during the benefit period. The program was established under separate collective bargaining agreements with the certificated and classified employees and by precedent for all other District employees. The Portland Teachers Association (PAT) group terminated this benefit after September 30, 2019. All other bargaining units and employee groups, except the District Council Unions (DCU), agreed to terminate this benefit after June 30, 2014. The DCU agreed to terminate this benefit after December 31, 2014. Under Oregon Revised Statute (ORS) 243.303 any OPERS qualifying public employee is allowed to pay the full cost for continued coverage under the District group health plans until they become Medicare eligible. The plan does not issue a separate financial report, and there are no assets accumulated in a trust. The plan may be amended by the District under new collective bargaining agreements.

Benefits Provided

The District pays for the benefits. The contributions are financed on a pay-as-you-go basis. The General Fund and the Special Revenue Fund are the primary funds from which the Other Post Employment Benefit liability is liquidated.

Employees covered by benefit terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	290
Inactive employees entitled to but not yet receiving benefit payments	109
Active employees	6,011
	6,410

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Total RHIS Liability

The District's total RHIS liability of $80.1 million was measured as of June 30, 2022, rolled forward to June 30, 2023, and was determined by an actuarial valuation as of June 30,2022.

Actuarial Methods and Assumptions

Actuarial methods and assumptions, with the exception of the Health Care Cost Trend, are consistent with those disclosed for the District Stipend. See Footnote 11 – Pension Plans, part B. District Plan - Stipend for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

Health Care Cost Trend – The actuarial calculations used an assumption that medical costs will increase to 6.75 percent in the first year and reach an eventual ultimate rate of 3.75 percent. These trends are based on a long-term medical trend model published and updated by the Society of Actuaries. Known as the "Getzen model", it produces long-range trend assumptions built on assumed long-term relationships between certain key economic factors. It also assumes that dental and vision costs will increase by the lesser of the medical cost trend previously described and 4.00 percent per year**.**

Changes in the Total RHIS Liability

	Increase (Decrease) in Total RHIS Liability
Balance at 6/30/2022	$ 75,893
Changes for the year:	
Service cost	3,200
Interest	1,630
Effect of economic/demographic gains or losses	11,881
Effect of assumptions changes or inputs	(5,227)
Benefit payments	(7,254)
Net changes	4,230
Balance at 6/30/2023	$ 80,123

Changes in assumptions and other inputs reflect a change in the discount rate 2.16% in 2022 to 3.54% in 2023.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Sensitivity of the total RHIS liability to changes in the discount rate. The following presents the total RHIS liability of the District, as well as what the District's total RHIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total RHIS Liability	$ 84,924	$ 80,123	$ 75,519

Sensitivity of the total RHIS liability to changes in the healthcare cost trend rates. The following presents the total RHIS liability of the District, as well as what the District's total RHIS liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total RHIS Liability	$ 73,818	$ 80,123	$ 87,284

RHIS Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIS

For the year ended June 30, 2023, the District recognized RHIS expense of $6.7 million. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to RHIS from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
OPEB differences between expected and actual experience	$ 12,129	$ (1,753)
OPEB differences due to changes in assumptions	5,199	(5,372)
Total (prior to post-measurement date contributions)	17,328	(7,125)
OPEB contributions subsequent to measurement date	6,794	-
Total as of June 30, 2021	$ 24,122	$ (7,125)

Deferred outflows of resources related to RHIS of $6.8 million resulting from the District's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIS will be recognized in RHIS expense as follows:

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2024	$ 1,875
Fiscal Year 2025	1,875
Fiscal Year 2026	2,191
Fiscal Year 2027	1,518
Fiscal Year 2028	708
Thereafter	2,036
Total	$ 10,203

B. Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information and is available at:

http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

Contributions

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to $60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of $60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued

The District's rates in effect for the fiscal year ended June 30, 2023 were:

Tier One / Tier Two	0.05%
OPSRP General Service	0.00%

District contributions for the year ended June 30, 2023 were $58.

RHIA Liabilities, RHIA Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIA

At June 30, 2023, the District reported an asset of $18.2 million for its proportionate share of the OPERS net RHIA asset. The net RHIA asset was measured as of June 30, 2022, and the total RHIA liability used to calculate the net RHIA asset was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the net RHIA asset was based on the District's actual, legally required contributions made to the RHIA program during the measurement period relative to total actual contributions from all participating employers. At June 30, 2023, the District's proportionate share was 5.11%, which is an increase of 2.44% from its proportion of 2.67% as of June 30, 2022.

For the year ended June 30, 2023, the District recognized RHIA benefit from this plan of $4,822. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to this RHIA plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
RHIA differences between expected and actual experience	$ -	$ (492)
RHIA differences due to changes in assumptions	142	(605)
RHIA net difference between projected and actual earnings on investments	-	(1,384)
RHIA changes in employer proportion	132	(3,721)
	274	(6,202)
RHIA contributions subsequent to measurement date	58	-
Total	$ 332	$ (6,202)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2022

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued

Deferred outflows of resources related to RHIA of $58 resulting from the District's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA will be recognized in RHIA expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2023	$ (3,415)
Fiscal Year 2024	(2,083)
Fiscal Year 2025	(873)
Fiscal Year 2026	443
Total	$ (5,928)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2022

Actuarial Methods and Assumptions

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Footnote 11 – Pension Plans, part A. Oregon Public Employees Retirement System (OPERS) for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

Sensitivity of the District's proportionate share of the net RHIA liability (asset) to changes in the discount rate

The following presents the District's proportionate share of the net RHIA liability (asset), as well as what the District's proportionate share of the net RHIA liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher 7.90 percent) than the current discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net RHIA liability (asset)	$ (16,361)	$ (18,153)	$ (19,689)

RHIA Plan Fiduciary Net Position

Detailed information about the RHIA plan's fiduciary net position is available in the separately issued OPERS financial report.

NOTE 13 - RISK MANAGEMENT

The Internal Service (Self-Insurance) Fund charges other funds for the costs incurred for workers' compensation claims. Charges to other funds by the Self-Insurance Fund are recognized as revenues in the Self-Insurance Fund and as expenditures in the fund incurring the charges. The Self-Insurance Fund recognized approximately $3.6 million of revenues from other governmental funds for the year ended June 30, 2023.

The District is exposed to various risks of loss related to injuries; torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District is self-insured up to $1 million and carries commercial excess insurance. Settlements have not exceeded insurance coverage for the years ended June 30, 2021 through 2023. There have been no reductions to the District's insurance coverage during the year ended June 30, 2023. The District anticipates that all accrued claims losses will be paid within twelve months.

The total claims payable at June 30, 2023 of $7.7 million was made up of approximately $4.5 million in worker's compensation claims (recorded in the Internal Service Fund) and $3.2 million in property and general liability claims (accounted for in the General Fund and not accrued on the fund financial statements). Changes in the balances of claims liabilities during the years ended June 30, 2021, through June 30, 2023, were as follows:

Fiscal Year	Beginning Balance	New Claims	Payments on Claims	Ending Balance
2021	6,853	2,516	(3,795)	5,574
2022	5,574	5,540	(3,985)	7,129
2023	7,129	4,726	(4,179)	7,676

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

Contracts

Under Oregon Revised Statute No. 279, should funding not be available, the following contracts may be cancelled without penalty. Estimated future District service commitments in excess of $3.0 million are listed as follows:

Supplier	Commitment
Andersen Construction Co of Oregon LLC	$ 132,236
Inline Commercial Construction Inc	34,858
Bora Architects Inc	18,923
Hoffman Construction Company of Oregon	11,225
Rosemary Anderson High School	7,419
Skyward Construction	6,089
Portland Community College	5,510
First Cascade Corp	4,427
OH Planning Design Architecture	3,445
Falcrum Company NW	3,424
	$ 227,556

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - continued

Future District service commitments by fund are as follows:

	Commitments
General Fund	$ 12,929
Capital Projects Fund	214,627
	$ 227,556

Dr. Matthew Prophet Education Center (PEC)

In June 2000, Multnomah County leased a portion of the District's headquarters from the District for $3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for $800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County's share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2023 the Multnomah County Reserve balance held in the Facilities Capital Fund, a sub-fund of the Capital Projects Fund, was $541.

Pending Legal Actions

The District is a defendant in certain pending legal actions. Although the outcome cannot be determined, the District believes that settlement of these matters will not have a material effect on the District's financial position and results of operations.

Grantor Agencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the district. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although district management expects such amounts, if any, to be immaterial.

School Support Fund

A substantial portion of the District's funding consists of an apportionment of funds from the State Basic School Support Fund. This apportionment is determined by a formula taking into account the District's weighted average daily student membership and revenue derived from local District sources. Local District sources may vary from year to year and may be revised retroactively or prospectively changing the amount of State Basic School Support received or to be received.

NOTE 15 – FUND BALANCES

Fund balances by classification for the year ended June 30, 2023 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable					
Prepaid items	$ 347	$ 20	$ -	$ 2,914	$ 3,281
Inventories	539	1,273	-	-	1,812
	886	1,293	-	2,914	5,093
Restricted	-	24,048	15,516	714,254	753,818
Committed	-	20,209	2,787	3,012	26,008
Assigned	94,984	-	-	10,370	105,354
Unassigned	9,627	(8,885)	-	-	742
Total fund balances	$ 105,497	$ 36,665	$ 18,303	$ 730,550	$ 891,015

NOTE 16 – RELATED ORGANIZATIONS

The District includes five charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,294 (representing 2.8% of the District's total enrollment); and that charter schools' Net Position was $4.574. Because of their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

NOTE 17 – ARTS TAX

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of $35 per person per year. In December of 2012, the District entered into an intergovernmental agreement IGA/R 59656 with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students, including charter schools within the District. Revenues and expenditures for the year ended June 30, 2023 are recorded in the General Fund as follows:

	Arts Tax Revenues	Arts Tax Expenditures[1]	FTE Funded	Number of Schools Funded
Non-Charter Schools	$ 4,792	$ 5,479	61.50	60
Charter Schools	163	174	3.60	5
District Total	$ 4,955	$ 5,653	65.1	65

[1] Includes amounts for unexpended revenues carried forward from prior years.

NOTE 18 – TAX ABATEMENTS

The District is subject to tax abatements (exemptions) granted by Multnomah, Washington and Clackamas counties of Oregon. Counties are allowed to grant abatements due to numerous Oregon Revised Statutes (ORS). Washington and Clackamas counties had no tax abatements affecting the District. Multnomah county has numerous abatement programs which affected District revenue as described below.

City of Portland Low Income Rental Housing (ORS 307.540 to 307.548)

In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within the city of Portland.

Day Care Centers, Student Housing and Religious Schools (ORS 307.145)

The child care facilities, schools, academies and student housing accommodations, owned or being purchased by incorporated eleemosynary institutions or by incorporated religious organizations, used exclusively by such institutions or organizations for or in immediate connection with educational purposes, are exempt from taxation.

Transit Oriented Development (ORS 307.600 to 307.637)

Cities and counties may grant a property tax exemption for multiple unit rental housing (excluding land) in areas designated as core areas, light rail station areas and transit oriented areas for up to 10 successive years. Housing that can qualify for this exemption includes newly constructed housing and property converted to housing use.

Historic Property (ORS 358.475 to 545)

The Special Assessment for Historic Property program is a state-sponsored incentive program instituted in 1975 to encourage the preservation and appropriate rehabilitation of properties listed in the National Register of Historic Places. Under this program a property is specially assessed for a period of 10-15 years. This allows the owner to restore or improve the condition of the property and not pay additional taxes on the resulting increase in the property's value until the ten-year benefit period has expired.

Housing Authority Partnership (ORS 456.225)

The property of a housing authority is declared to be public property used for essential public and governmental purposes. The property and the housing authority are exempt from all taxes and special assessments of the city, the county, the state or any political subdivision of the city, county or state.

NOTE 18 – TAX ABATEMENTS - continued

The Following schedule represents the District's portion of tax abatements granted by Multnomah County for 2022-2023. Programs with exemptions totaling more than $500 thousand were listed separately; all other programs were grouped together:

Exemption Program	Amount
City of Portland Low Income Rental Housing	$ 4,205
Day Care Centers, Student Housing & Religious Schools	3,019
Transit Oriented Development, Portland	1,973
Historic Property	1,006
Housing Authority Partnership	657
All other exemption programs	1,484
Total Abatements	$ 12,344

NOTE 19 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2023, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is December 21, 2023, which is the date on which the financial statements were available to be issued.

On November 26, 2023, Portland Public Schools and the Portland Association of Teachers (PAT) reached a contract agreement for the period July 1, 2023 to June 30, 2026. The contract agreement includes increases in cost of living adjustments and stipends for specific PAT groups. The cost of living adjustment for fiscal year 2024 is 6.25%. At December 29, 2023, the District will make compensation payments, retroactive to July 1, 2023. The estimated cost of these payments, including fringe benefits, is $5.8M.

PPS

REQUIRED SUPPLEMENTARY INFORMATION

The information in this section compares budget to actual for the District's General and major special revenue funds.

The budgetary basis of accounting for all funds is modified accrual, which is the same as that required by accounting principles generally accepted in the United States of America. Unless otherwise noted, a reconciliation of budgetary to generally accepted accounting principles activity is not required.

Under the provisions of GASB Statement No. 68, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 73, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 75, a Schedule of the District's Proportionate Share of the Net OPEB Liability and District Contributions for RHIA and RHIS, and a Schedule of Changes in the District's Total OPEB Liability and Related Ratios for OPEB is included in the Required Supplementary Information.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios- RHIS
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

Total OPEB Liability

	2017	2018	2019	2020
Service cost	N/A	$ 2,549	$ 2,319	$ 2,842
Interest	N/A	2,160	2,475	3,128
Change in benefit terms	N/A	-	2,711	-
Differences between expected and actual experience	N/A	-	3,880	-
Change of economics/demographic gains/losses		-	-	-
Changes of assumptions or other inputs	N/A	(2,848)	8,157	1,744
Benefit payments	N/A	(8,575)	(8,024)	(8,697)
Net change in total OPEB liability	N/A	(6,714)	11,518	(983)
Total OPEB liability - beginning	N/A	77,498	70,784	82,302
Total OPEB liability - ending	$ 77,498	$ 70,784	$ 82,302	$ 81,319
Covered-employee payroll	$ 327,668	$ 344,646	$ 356,540	$ 375,041
Total OPEB liability as a percentage of covered-employee payroll	23.65%	20.54%	23.08%	21.68%

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] Assets are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Requests for Information:

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schoools; 501 N. Dixon Street; Portland, OR 97227.

2021	2022	2023
$ 3,141	$ 3,105	$ 3,200
2,818	1,720	1,630
722	-	-
(2,676)	-	-
-	-	11,881
1,151	212	(5,227)
(7,894)	(7,725)	(7,254)
(2,738)	(2,688)	4,230
81,319	78,581	75,893
$ 78,581	$ 75,893	$ 80,123
$ 386,877	$ 435,531	$ 435,224
20.31%	17.43%	18.41%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions - RHIA
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

District's Proportionate Share of Net OPEB Liability (Asset)

	2017	2018	2019
District's proportion of the net OPEB liability/(asset)	3.284%	3.164%	3.194%
District's proportionate share of the net OPEB liability (asset)	$ 892	$ (1,321)	$ (3,566)
District's covered-employee payroll [2]	$ 316,998	$ 327,668	$ 344,646
District's proportionate share of net OPEB liability (asset) as a percentage of covered-employee payroll	0.3%	-0.4%	-1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	94.14%	108.89%	124.01%
OPEB Measurement Date	6/30/2016	6/30/2017	6/30/2018

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

Schedule of District Contributions

	2017	2018	2019
Contractually required contribution	$ 1,575	$ 1,547	$ 1,641
Contributions in relation to the contractually required contribution	1,575	1,547	1,641
Contribution deficiency(excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 327,668	$ 344,646	$ 356,540
Contributions as a percentage of covered-employee payroll	0.48%	0.45%	0.46%

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:
http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx

Notes to Required Supplementary Information

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:
https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB75-Letter-from-Actuary-2022.pdf

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 20, 2021, and can be found at:
https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf

2020	2021	2022	2023
3.312%	2.928%	2.666%	5.109%
$ (6,400)	$ (5,966)	$ (9,155)	$ (18,153)
$ 356,540	$ 375,041	$ 386,877	$ 435,531
-1.8%	-1.6%	-2.4%	-4.2%
144.34%	150.05%	183.86%	194.65%
6/30/2019	6/30/2020	6/30/2021	6/30/2022

2020	2021	2022	2023
$ 209	$ 71	$ 126	$ 58
209	71	126	58
$ -	$ -	$ -	$ -
$ 375,041	$ 386,877	$ 435,531	$ 435,224
0.06%	0.02%	0.03%	0.01%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of the District's Proportionate Share
Net Pension Liability (Asset) and District Contributions
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

District's Proportionate Share of Net Pension Liability (Asset)

	2014	2015	2016	2017
District's proportion of the net pension liability/asset	0.254%	0.254%	0.299%	1.380%
District's proportionate share of the net pension liability (asset)	$ 12,953	$ (5,754)	$ 17,185	$ 207,203
District's covered payroll [2]	$ 256,741	$ 264,386	$ 283,935	$ 316,998
District's proportionate share of net pension liability (asset) as a percent of covered payroll	5.0%	(2.2%)	6.1%	65.4%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%	80.5%
OPERS Measurement Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

Schedule of District Contributions

	2014	2015	2016 [3]	2017 [3]
Contractually required contribution	$ 4,785	$ 4,895	$ -	$ -
Contributions in relation to the contractually required contribution	4,785	4,895	-	-
Contribution (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 264,386	$ 283,935	$ 316,998	$ 327,668
Contributions as a percentage of covered payroll	1.81%	1.72%	0.00%	0.00%

[3] Contribution rates were zero due to the rate offset provided by the District's OPERS side account funded by the district's Limited Tax Pension Bonds.

[4] OPERS side account resources were used to satisfy all contribuiton requirements.

[5] Contribution excess reflects issuance of PERS pension bonds

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:
http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx

Notes to Required Supplementary Information

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:

https://www.oregon.gov/pers/EMP/Pages/GASB.aspx

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019, and can be found at:

https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

2018	2019	2020	2021	2022	2023
2.102%	2.286%	1.770%	2.389%	2.238%	1.318%
$ 283,305	$ 346,266	$ 306,140	$ 521,329	$ 267,828	$ 201,914
$ 327,668	$ 344,646	$ 356,540	$ 375,041	$ 386,877	$ 435,531
86.5%	100.5%	85.9%	139.0%	69.2%	46.4%
83.12%	82.07%	80.23%	75.79%	87.57%	84.55%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

2018 [4]	2019	2020	2021	2022 [5]	2023
$ -	$ 8,351	$ 24,834	$ 17,684	$ 2,724	$ 2,106
-	8,351	24,834	17,684	401,390	4,486
$ -	$ -	$ -	$ -	$ 398,666	$ 2,380
$ 344,646	$ 356,540	$ 375,041	$ 386,877	$ 435,531	435,224
0.00%	2.34%	6.62%	4.57%	92.16%	1.03%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

Total Pension Liability

	2016	2017	2018
Service cost	N/A	$ 174	$ 212
Interest	N/A	304	211
Change in benefit terms	N/A	-	-
Differences between expected and actual experience	N/A	-	-
Changes of assumptions or other inputs	N/A	235	(158)
Benefit payments	N/A	(1,301)	(1,389)
Net change in total pension liability	N/A	(587)	(1,124)
Total pension liability - beginning	N/A	8,465	7,877
Total pension liability - ending	$ 8,465	$ 7,877	$ 6,753
Covered-employee payroll	N/A	$ 70,988	68,838
Total pension liability as a percentage of covered-employee payroll	N/A	11.10%	9.81%

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] Assets are not accumulated in a trust. Contributions are financed on a pay-as-you-go basis.

Requests for Information:

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schoools; 501 N. Dixon Street; Portland, OR 97227.

2019	2020	2021	2022	2023
$ 194	$ 188	$ 207	$ 180	$ 185
228	250	209	128	113
797	-	264	-	-
94	-	145	-	1,285
(68)	79	(69)	9	(274)
(1,174)	(1,132)	(875)	(939)	(792)
71	(615)	(119)	(622)	517
6,753	6,824	6,209	6,090	5,468
$ 6,824	$ 6,209	$ 6,090	$ 5,468	$ 5,985
63,301	58,067	68,456	28,623	80,482
10.78%	10.69%	8.90%	19.10%	7.44%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 318,899	$ 318,899	$ 318,222	$ (677)
State School Fund	242,531	242,531	265,672	23,141
Local option taxes	111,407	111,407	110,472	(935)
County and intermediate sources	12,101	12,101	8,987	(3,114)
Federal and state support	15	15	21	6
State Common School Fund	4,875	4,875	6,362	1,487
Charges for services	1,900	2,615	2,626	11
Investment earnings	1,371	1,371	8,367	6,996
Other	9,535	9,535	9,481	(54)
Total revenues	702,634	703,349	730,210	26,861
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	285,953	276,394	273,817	2,577
Materials and services	8,557	8,183	8,257	(74)
Total regular programs	294,510	284,577	282,074	2,503
Special programs:				
Salaries and benefits	79,267	79,415	67,367	12,048
Materials and services	30,604	29,677	26,820	2,857
Total special programs	109,871	109,092	94,187	14,905
Summer school programs:				
Salaries and benefits	323	343	437	(94)
Materials and services	1,633	1,738	35	1,703
Total summer school programs	1,956	2,081	472	1,609
Total instruction	**406,337**	**395,750**	**376,733**	**19,017**
Support services:				
Students:				
Salaries and benefits	72,557	71,752	70,924	828
Materials and services	6,638	6,493	5,690	803
Total students	79,195	78,245	76,614	1,631
Instructional staff:				
Salaries and benefits	37,254	37,971	34,387	3,584
Materials and services	3,898	4,551	5,907	(1,356)
Total instructional staff	41,152	42,522	40,294	2,228
General administration:				
Salaries and benefits	9,585	9,318	8,314	1,004
Materials and services	5,998	5,765	4,785	980
Total general administration	15,583	15,083	13,099	1,984

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
Support services (continued):				
School administration:				
Salaries and benefits	$ 51,766	$ 51,547	$ 51,424	$ 123
Materials and services	1,008	645	473	172
Total school administration	52,774	52,192	51,897	295
Business:				
Salaries and benefits	63,536	62,125	60,129	1,996
Materials and services	50,654	61,946	69,391	(7,445)
Total business	114,190	124,071	129,520	(5,449)
Central:				
Salaries and benefits	25,562	25,700	22,825	2,875
Materials and services	13,316	12,099	8,757	3,342
Total central	38,878	37,799	31,582	6,217
Total support services	**341,772**	**349,912**	**343,006**	**6,906**
Enterprise and community services:				
Food services:				
Salaries and benefits	126	126	6	120
Materials and services	70	-	(1)	1
Total food services	196	126	5	121
Community services:				
Salaries and benefits	694	721	681	40
Materials and services	2,210	3,253	2,428	825
Total community services	2,904	3,974	3,109	865
Total enterprise and community services	**3,100**	**4,100**	**3,114**	**986**
Other expenditures:				
Debt Service				
Principal	706	2,652	391	2,261
Interest and fiscal charges	77	293	15	278
Total debt service	**783**	**2,945**	**406**	**2,539**
Total current expenditures	751,992	752,707	723,259	29,448
Operating contingency	**50,768**	**50,768**	**-**	**50,768**
Total expenditures	802,760	803,475	723,259	80,216
Excess (deficit) of revenues over expenditures	(100,126)	(100,126)	6,951	107,077
OTHER FINANCING SOURCES (USES)				
Transfers out	**(1,302)**	**(1,302)**	**(1,282)**	**20**
Proceeds from the sale of capital assets	50	50	66	16
Issuance of debt	-	-	-	-
Issuance of leases	1,400	1,400	958	(442)
Issuance of subscriptions	-	-	-	-
Total other financing sources and (uses)	148	148	(258)	(406)
Net change in fund balance	(99,978)	(99,978)	6,693	106,671
Fund balance - beginning of year	99,978	99,978	98,804	(1,174)
Fund balance - end of year	$ -	$ -	$ 105,497	$ 105,497

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 342	$ 342	$ 343	$ 1
Federal and state support	248,551	248,551	192,723	(55,828)
County and intermediate sources	3,213	3,213	2,080	(1,133)
Charges for services	3,209	3,209	3,031	(178)
Investment earnings	40	40	477	437
Extracurricular activities	7,500	7,500	5,727	(1,773)
Other	4,097	4,097	9,848	5,751
Total revenues	266,952	266,952	214,229	(52,723)
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	50,785	45,245	40,873	4,372
Materials and services	13,764	12,764	11,182	1,582
Total regular programs	64,549	58,009	52,055	5,954
Special programs:				
Salaries and benefits	28,047	28,847	27,061	1,786
Materials and services	27,493	24,893	10,793	14,100
Total special programs	55,540	53,740	37,854	15,886
Summer school programs:				
Salaries and benefits	5,094	5,094	2,181	2,913
Materials and services	5,095	5,095	2,681	2,414
Total summer school programs	10,189	10,189	4,862	5,327
Total instruction	**130,278**	**121,938**	**94,771**	**27,167**
Support services:				
Students:				
Salaries and benefits	30,232	30,232	27,684	2,548
Materials and services	29,081	28,205	13,292	14,913
Total students	59,313	58,437	40,976	17,461
Instructional staff:				
Salaries and benefits	13,135	13,135	19,581	(6,446)
Materials and services	3,243	3,169	5,819	(2,650)
Total instructional staff	16,378	16,304	25,400	(9,096)
General administration:				
Salaries and benefits	-	-	22	(22)
Materials and services	257	257	644	(387)
Total general administration	257	257	666	(409)
School administration:				
Salaries and benefits	5,835	5,835	7,026	(1,191)
Materials and services	20	20	764	(744)
Total school administration	5,855	5,855	7,790	(1,935)

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
Support services (continued):				
Business:				
Salaries and benefits	$ 436	$ 436	$ 73	$ 363
Materials and services	15,095	14,835	7,589	7,246
Total business	15,531	15,271	7,662	7,609
Central:				
Salaries and benefits	1,518	5,709	1,719	3,990
Materials and services	17,470	6,279	1,882	4,397
Total central	18,988	11,988	3,601	8,387
Total support services	**116,322**	**108,112**	**86,095**	**22,017**
Enterprise and community services:				
Food Services:				
Salaries and benefits	11,158	11,158	9,889	1,269
Materials and services	11,000	10,871	11,835	(964)
Total food services	22,158	22,029	21,724	305
Community services:				
Salaries and benefits	3,321	3,321	2,480	841
Materials and services	7,470	11,699	7,560	4,139
Total community services	10,791	15,020	10,040	4,980
Total enterprise and community services	**32,949**	**37,049**	**31,764**	**5,285**
Facilities acquisition & construction:				
Materials and services	89	12,089	164	11,925
Total facilities acquisition and construction	**89**	**12,089**	**164**	**11,925**
Other expenditures:				
Debt Service				
Principal	166	558	507	51
Interest and other charges	33	91	3	88
Total debt service	**199**	**649**	**510**	**139**
Total expenditures	279,837	279,837	213,304	66,533
Excess (deficit) of revenues over expenditures	(12,885)	(12,885)	925	13,810
OTHER FINANCING SOURCES (USES)				
Transfers in	75	75	56	(19)
Issuance of leases	900	900	-	(900)
Issuance of subscriptions	-	-	615	615
Total other financing sources (uses)	975	975	671	(304)
Net change in fund balance	(11,910)	(11,910)	1,596	13,506
Fund balance - beginning of year	43,351	43,351	35,069	(8,282)
Fund balance - end of year	$ 31,441	$ 31,441	$ 36,665	$ 5,224

Note: Bolded lines indicate legally required appropriation budget levels of control

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 146,945	$ 146,945	$ 145,774	$ (1,171)
Federal and state support	6	6	7	1
Charges for services	79,105	79,105	79,818	713
Investment earnings	297	297	4,503	4,206
Other	1,758	1,758	-	(1,758)
Total revenues	228,111	228,111	230,102	1,991
EXPENDITURES				
Current:				
Debt service:				
Principal	147,964	147,964	147,389	575
Interest and fiscal charges	79,352	79,352	79,350	2
Total debt service	**227,316**	**227,316**	**226,739**	**577**
Total expenditures	227,316	227,316	226,739	577
Excess (deficit) of revenues over expenditures	795	795	3,363	2,568
OTHER FINANCING SOURCES (USES)				
Transfers in	1,238	1,238	1,235	(3)
Total other financing sources (uses)	1,238	1,238	1,235	(3)
Net change in fund balance	2,033	2,033	4,598	2,565
Fund balance - beginning of year	13,061	13,061	13,705	644
Fund balance - end of year	$ 15,094	$ 15,094	$ 18,303	$ 3,209

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 5,505	$ 5,505	$ 4,190	$ (1,315)
Federal and state support	6,941	126,941	11,414	(115,527)
Charges for services	100	100	55	(45)
Investment earnings	526	2,526	15,401	12,875
Other	1,310	1,310	1,703	393
Total revenues	14,382	136,382	32,763	(103,619)
EXPENDITURES				
Current:				
Business:				
Salaries and benefits	138	138	146	(8)
Materials and services	2,144	1,970	1,190	780
Bond Issuance Cost	-	3,500	1,811	1,689
Total business	2,282	5,608	3,147	2,461
Central:				
Salaries and benefits	-	-	174	(174)
Total central	-	-	174	(174)
Total support services	**2,282**	**5,608**	**3,321**	**2,287**
Facilities acquisition & construction:				
Salaries and benefits	7,067	7,067	6,177	890
Materials and services	506,895	1,109,425	279,107	830,318
Total facilities acquisition and construction	**513,962**	**1,116,492**	**285,284**	**831,208**
Debt service:				
Principal	-	848	268	580
Interest and fiscal charges	-	94	2	92
Total debt service	**-**	**942**	**270**	**672**
Total expenditures	516,244	1,123,042	288,875	834,167
Excess (deficit) of revenues over expenditures	(501,862)	(986,660)	(256,112)	730,548
OTHER FINANCING SOURCES (USES)				
Transfers in	610	610	610	-
Transfers out	**(621)**	**(621)**	**(619)**	**2**
Issuance of bonds	-	420,000	420,000	-
Premium on issuance of debt	-	44,832	44,832	-
Issuance of subscriptions	-	-	-	-
Total other financing sources (uses)	(11)	464,821	464,823	2
Net change in fund balance	(501,872)	(521,839)	208,711	730,550
Fund balance - beginning of year	501,872	521,839	521,839	-
Fund balance - end of year	$ -	$ -	$ 730,550	$ 730,550

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Self-Insurance Fund
Schedule of Revenues, Expenses, and
Changes in Net Position - Budget and Actual
For the year ended June 30, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final	Amounts	Positive/ (Negative)
OPERATING REVENUES				
Charges for services	$ 3,567	$ 3,567	$ 3,567	$ -
Total operating revenues	3,567	3,567	3,567	-
OPERATING EXPENSES				
Support services:				
Salaries and benefits	339	347	-	347
Materials and services	512	504	319	185
Claims expense	2,539	2,539	3,027	(488)
Total support services	**3,390**	**3,390**	**3,346**	**44**
Operating contingency	**5,256**	**5,256**	**-**	**5,256**
Total operating expenses	8,646	8,646	3,346	5,300
Operating income (loss)	(5,079)	(5,079)	221	5,300
NON OPERATING REVENUES (EXPENSES)				
Investment income	13	13	164	151
Federal and state support	-	-	460	460
Issuance of subscriptions	-	-	-	-
Total non-operating revenues	13	13	624	611
Change in net position	(5,066)	(5,066)	845	5,911
Beginning net position - budgetary basis	5,066	5,066	3,303	(1,763)
Ending net position - budgetary basis	$ -	$ -	$ 4,148	$ 4,148
Reconciliation:				
Subscription Asset			52	
Subscription Liability			(52)	
Net position - GAAP basis			$ 4,148	

Note: Bolded lines indicate legally required appropriation budget levels of control

Statistical

Faubion Middle School March 2023

Kelly Elementary October 2022

PPS

Statistical Section

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends (Schedules 1-4) 109

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity (Schedules 5-9) 117

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity (Schedules 10-12) 123

District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information (Schedules 13-14) 127

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information (Schedules 15-17) 129

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Schedule 1
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Condensed Statement of Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Government-wide Activities			
	2014- restated	2015	2016	2017-restated
Assets				
Current and other assets	$ 304,224	$ 579,805	$ 487,394	$ 364,732
Prepaid pension & other prepaid items	2,149	5,754	1,628	1,080
Net capital assets	233,265	273,957	382,401	506,612
Total assets	539,638	859,516	871,423	872,424
Deferred Outflows of Resources				
Pension & OPEB	4,785	6,801	3,200	163,562
Liabilities				
Other current liabilities	90,983	105,763	121,321	181,480
Other long-term liabilities	244,301	495,290	453,679	359,702
Limited tax pension bonds payable	407,499	395,958	384,075	372,249
Pension	-	-	17,185	215,080
Other post employment benefits	35,579	32,900	29,933	78,390
Total liabilities	778,362	1,029,911	1,006,193	1,206,901
Deferred Inflows of Resources				
Pension & OPEB	-	11,102	6,062	12,845
Net Position				
Net investment in capital assets	183,584	230,251	260,146	297,914
Restricted	119,224	394,845	283,176	172,880
Unrestricted	(536,747)	(799,792)	(680,955)	(654,554)
Total Net Position	$ (233,939)	$ (174,696)	$ (137,633)	$ (183,760)

Government-wide Activities						
2018	2019	2020	2021	2022	2023
$ 715,738	$ 590,288	$ 941,719	$ 1,092,171	$ 866,018	$ 1,235,971
884	3,377	6,200	5,098	5,332	3,656
594,103	735,002	917,372	1,173,371	1,384,060	1,629,666
1,310,725	1,328,667	1,865,291	2,270,640	2,255,410	2,869,293
173,727	207,186	158,473	249,580	574,645	395,025
278,587	298,417	298,341	328,566	351,179	499,840
591,262	467,836	854,165	1,131,855	985,621	1,306,558
360,172	348,223	336,062	314,159	679,186	640,890
290,058	353,090	312,349	527,419	273,296	207,899
70,784	82,302	81,319	78,581	75,893	80,123
1,590,863	1,549,868	1,882,236	2,380,580	2,365,175	2,735,310
30,419	64,329	111,145	101,191	320,993	253,532
379,871	477,058	585,214	492,345	590,231	641,228
486,336	353,527	681,328	199,303	188,616	186,014
(1,003,037)	(908,929)	(1,236,159)	(653,199)	(634,960)	(551,766)
$ (136,830)	$ (78,344)	$ 30,383	$ 38,449	$ 143,887	$ 275,476

Schedule 2
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Government-wide Activities			
	2014	2015	2016	2017
Expenses				
Instruction	$ 308,652	$ 326,935	$ 364,964	$ 380,939
Support services	200,750	212,213	241,016	272,816
Enterprise and community services	19,164	20,445	21,326	20,712
Facilities services	1,470	2,617	1,230	12,672
Interest and fees on long-term debt	33,546	31,600	40,116	39,094
Total expenses	563,582	593,810	668,652	726,233
Program Revenues				
Charges for services:				
Instruction	5,989	6,457	996	533
Support services	2,857	2,916	3,157	4,424
Enterprise and community services	4,420	4,214	4,521	3,471
Operating grants and contributions:				
Instruction	58,418	65,409	58,619	57,608
Support services	17,693	21,638	22,356	22,758
Enterprise and community services	2,240	2,704	3,085	2,934
Capital grants and contributions:				
Facilities services	-	-	-	-
Total program revenues	91,617	103,338	92,734	91,728
Net Expenses	(471,965)	(490,472)	(575,918)	(634,505)
General Revenues:				
Property taxes levied for general purposes	213,115	222,872	233,548	242,899
Property taxes levied for debt service	44,765	46,568	48,985	49,384
Construction excise tax	4,889	6,076	5,886	7,542
Local option taxes levied for general purposes	55,709	62,923	76,467	83,853
State School Fund - general support	184,690	179,505	211,253	207,182
State Common School Fund - general support		4,721	5,810	6,191
County and intermediate sources - general support	15,736	15,202	15,772	17,270
Investment earnings	774	1,285	3,140	4,007
Other	11,253	10,563	12,120	17,501
Total general revenues	535,358	549,715	612,981	635,829
Change in Net Position	$ 63,393	$ 59,243	$ 37,063	$ 1,324

Government-wide Activities

2018	2019	2020	2021	2022	2023
$ 421,311	$ 428,454	$ 429,149	$ 465,995	$ 470,945	$ 491,393
283,984	310,546	324,513	376,660	359,554	414,298
24,218	22,785	21,821	23,731	29,283	33,374
8,531	6,030	3,492	10,844	9,576	4,845
46,416	44,166	45,409	54,640	63,084	54,988
784,460	811,981	824,384	931,870	932,442	998,898
406	749	251	288	77	363
4,741	4,818	4,095	1,472	1,195	1,997
4,006	4,239	3,925	154	725	3,352
					-
57,116	56,796	57,806	56,627	112,774	126,269
22,871	30,196	29,504	52,678	61,135	78,664
3,019	2,969	2,762	4,530	10,672	10,142
					-
-	4,500	11,368	1,319	1,978	2,110
92,159	104,267	109,711	117,068	188,556	222,897
(692,301)	(707,714)	(714,673)	(814,802)	(743,886)	(776,001)
248,281	262,657	273,860	286,437	304,451	318,131
116,468	125,486	126,343	131,791	141,897	146,376
8,201	5,991	4,291	3,446	5,437	4,190
88,163	95,173	98,033	101,539	105,314	110,005
239,804	225,135	266,607	263,622	259,314	265,672
5,155	5,493	5,012	5,628	5,693	6,362
17,662	17,362	19,072	17,185	15,566	11,067
3,473	20,229	12,534	3,107	984	28,912
12,024	8,674	17,648	10,113	10,668	16,875
739,231	766,200	823,400	822,868	849,324	907,590
$ 46,930	$ 58,486	$ 108,727	$ 8,066	$ 105,438	$ 131,589

Schedule 3
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Governmental Activities			
	2014	2015	2016	2017
General Fund				
Nonspendable	$ 200	$ 247	$ 386	$ 360
Restricted	560	-	-	-
Assigned	50,914	34,195	37,449	19,744
Unassigned	-	-	-	-
Total general fund	51,674	34,442	37,835	20,104
All Other Governmental Funds				
Nonspendable	2,370	2,452	2,286	1,417
Restricted	127,176	393,179	281,089	170,614
Committed	16,342	17,590	16,400	17,454
Assigned	-	5,549	6,182	7,164
Unassigned	-	-	-	-
Total all other governmental funds	145,888	418,770	305,957	196,649
Total Governmental Fund Balances	$ 197,562	$ 453,212	$ 343,792	$ 216,753

Governmental Activities						
2018	2019	2020	2021	2022	2023	
$ 343	$ 570	$ 511	$ 945	$ 2,589	$ 886	
-	-	-	-	-	-	
37,939	39,317	63,963	87,746	96,215	94,984	
-	-	-	-	-	9,627	
38,282	39,887	64,474	88,691	98,804	105,497	
1,017	3,383	6,940	5,664	3,832	4,207	
484,006	347,179	671,974	788,139	551,563	753,818	
19,116	18,185	18,921	20,246	21,314	26,008	
10,400	10,470	14,785	10,204	4,716	10,370	
-	(29)	-	(12,768)	(10,812)	(8,885)	
514,539	379,188	712,620	811,485	570,613	785,518	
$ 552,821	$ 419,075	$ 777,094	$ 900,176	$ 669,417	$ 891,015	

Schedule 4
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Governmental Activities			
	2014	2015	2016	2017
Revenues				
Property and other taxes	$ 260,872	$ 274,219	$ 287,035	$ 298,114
State School Fund	184,690	179,505	211,253	207,182
State Common School Fund	4,427	4,721	5,810	6,191
Federal and state support	65,231	75,793	71,024	70,667
Local option taxes	56,013	63,274	76,593	84,106
County and intermediate sources	15,736	15,201	15,771	17,270
Federal stimulus	155	-	-	-
Charges for services	51,874	54,233	49,312	52,953
Extracurricular activities	8,308	8,276	7,904	7,489
Investment earnings	757	1,255	3,096	3,930
Other	13,138	15,414	16,215	22,414
Total revenues	661,201	691,891	744,013	770,316
Expenditures				
Current:				
Instruction	323,921	349,667	362,126	369,841
Support services	202,233	229,254	248,377	266,961
Enterprise and community services	20,059	21,902	21,925	22,838
Facilities acquisition and construction	31,105	54,830	127,491	149,868
PERS UAL lump sum payment	-	-	-	-
Debt Service:				
Principal	51,500	55,033	47,020	50,065
Interest and fiscal charges	34,921	33,811	46,610	46,867
Total expenditures	663,739	744,497	853,549	906,440
Excess (deficit) of revenues over expenditures	(2,538)	(52,606)	(109,536)	(136,124)
Other Financing Sources (Uses)				
Transfers in	9,013	14,409	7,407	16,141
Transfers out	(9,013)	(14,409)	(7,407)	(16,141)
PERS Bond Proceeds	-	-	-	-
Proceeds from the sale of capital assets	2,007	44	116	37
Issuance of debt, including premium/discount	-	308,212	-	9,048
Issuance of refunding bonds	-	-	-	-
Premium on issuance of debt	-	-	-	-
Issuance of leases	-	-	-	-
Issuance of subscriptions	-	-	-	-
Total other financing sources (uses)	2,007	308,256	116	9,085
Net change in fund balances	$ (531)	$ 255,650	$ (109,420)	$ (127,039)
Debt service as a percentage of noncapital expenditures	13.7%	12.9%	12.9%	12.6%

Governmental Activities					
2018	2019	2020	2021	2022	2023
$ 377,578	$ 398,930	$ 403,864	$ 421,602	$ 452,027	$ 468,529
239,804	225,135	266,607	263,622	259,314	265,672
5,155	5,493	5,012	5,628	5,693	6,362
69,771	81,482	90,493	108,683	175,128	204,165
89,663	97,188	98,789	102,417	106,124	110,472
17,663	17,362	19,072	17,185	15,566	11,067
-	-	-	-	-	-
56,836	56,311	59,597	57,059	78,343	85,530
7,304	7,191	4,914	1,237	4,020	5,727
3,392	19,954	12,400	3,018	969	28,748
15,471	13,074	12,717	14,628	17,540	21,032
882,637	922,120	973,465	995,079	1,114,724	1,207,304
386,975	394,080	408,759	417,112	460,824	471,504
278,758	300,421	319,604	347,414	379,062	432,422
22,961	22,830	21,936	23,914	30,630	34,878
113,043	164,764	207,452	287,538	256,688	285,448
-	-	-	-	398,666	-
109,874	114,537	117,984	119,759	129,626	148,555
57,598	59,304	59,750	72,016	90,940	79,370
969,209	1,055,936	1,135,485	1,267,753	1,746,436	1,452,177
(86,572)	(133,816)	(162,020)	(272,674)	(631,712)	(244,873)
6,997	6,125	1,931	2,466	1,825	1,901
(6,997)	(6,125)	(1,931)	(2,466)	(1,825)	(1,901)
-	-	-	-	399,390	-
740	70	10,517	152	114	66
421,900	-	509,522	365,465	-	420,000
-	-	-	53,965	-	-
-	-	-	31,205	1,449	44,832
-	-	-	-	-	958
-	-	-	(55,031)	-	615
422,640	70	520,039	395,756	400,953	466,471
$ 336,068	$ (133,746)	$ 358,019	$ 123,082	$ (230,759)	$ 221,598
19.7%	19.5%	19.2%	23.8%	14.8%	20.0%

Schedule 5
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Assessed Values of Taxable Property within School District No. 1J Boundaries
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)				
	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value
2014	$ 43,211,127	$ 1,716,219	$ 17,485	$ 1,613,794	$ 46,558,625
2015	45,073,153	1,757,198	18,655	1,673,302	48,522,308
2016	47,216,863	1,838,347	23,782	1,710,931	50,789,923
2017	49,437,875	1,943,596	23,198	1,799,222	53,203,891
2018	52,196,539	2,009,538	22,243	1,913,350	56,141,671
2019	53,550,558	2,212,720	23,701	2,194,854	57,981,833
2020	56,156,552	2,472,239	22,330	2,177,977	60,829,098
2021	58,784,786	2,344,506	22,738	2,437,442	63,589,472
2022	60,776,757	2,359,964	24,851	2,485,712	65,647,284
2023	63,253,507	2,405,740	24,540	2,696,487	68,380,274

Notes

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source for real market values is Tax Supervising & Conservation Commisssion and Multnomah County annual reports yearly real market and assessed values by county.

Sources

FY 2014-2023: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Values are the *combined* total for the taxing district, "Portland 1J School", in Multnomah, Clackamas and Washington counties.

https://www.oregon.gov/dor/gov-research/pages/research-reports-and-statistics.aspx

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Add: Non-Profit Housing	Less: Urban Renewal Excess	**Total Net Assessed Value**	Total Direct Tax Rate	Amount tax rate will raise	Less: Reduction and Adjustments	**Total Taxes Imposed (Net Levy)**
$ 21,566	$ 4,833,326	**$ 41,746,865**	$ 8.3571	$ 348,883	$ 27,190	**$ 321,693**
22,213	4,907,733	**43,636,788**	8.3535	364,520	23,132	**341,388**
22,880	5,237,111	**45,575,692**	8.3632	381,159	12,569	**368,590**
23,566	5,882,588	**47,344,869**	8.3304	394,402	7,687	**386,715**
21,662	6,457,719	**49,705,614**	9.6863	481,463	4,666	**476,797**
22,055	6,891,397	**51,112,491**	9.7571	498,710	3,065	**495,645**
22,459	7,148,348	**53,703,209**	9.6734	519,493	4,575	**514,918**
23,246	7,567,172	**56,045,546**	9.6698	541,949	5,578	**536,371**
23,660	6,056,382	**59,614,562**	9.6016	572,395	5,011	**567,384**
24,101	5,910,772	**62,493,603**	9.5681	597,945	5,407	**592,538**

Schedule 6
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	District Direct Rates			
Fiscal Year	General Tax Permanent Rate	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate
2014	5.2781	1.9900	1.0890	8.3571
2015	5.2781	1.9900	1.0854	8.3535
2016	5.2781	1.9900	1.0951	8.3632
2017	5.2781	1.9900	1.0623	8.3304
2018	5.2781	1.9900	2.4182	9.6863
2019	5.2781	1.9900	2.4890	9.7571
2020	5.2781	1.9900	2.4053	9.6734
2021	5.2781	1.9900	2.4017	9.6698
2022	5.2781	1.9900	2.3335	9.6016
2023	5.2781	1.9900	2.3000	9.5681

Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District
2014	$ 4.3434	$ 0.0701	$ 0.0966	$ 4.5770	$ 0.2828	$ 0.4576
2015	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2016	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2017	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2018	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2019	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2020	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2021	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2022	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2023	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576

Notes

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

Sources

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 7
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Property Tax Payers for Multnomah County
Prior Year and Nine Years Ago
Taxing District - 311 Portland Public School District
(dollars in thousands)

	2022 [1]			2013		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacifcorp (PP&L)	$ 612,545	1	1.03 %	$ 282,543	1	0.70 %
Portland General Electric Co	485,821	2	0.81	280,838	2	0.70
Lumen Technologies Inc	281,143	3	0.47	-	-	-
Weston Investment Co LLC	269,090	4	0.45	229,181	3	0.57
Port of Portalnd	245,959	5	0.41	183,837	6	0.46
Verizon Communications Inc	210,812	6	0.35	-	-	-
Comcast Corporation	189,005	7	0.32	225,285	4	0.56
111 SW 5th Avenue Investors LLC	183,980	8	0.31	-	-	-
AAT Lloyd District LLC	165,335	9	0.28	-	-	-
Nortlwest Natural Gas Co	160,830	10	0.27	-	-	-
Evraz Inc NA	-	-	-	218,521	5	0.54
Capref Lloyd Center LLC	-	-	-	157,227	7	0.39
AT&T Inc	-	-	-	155,565	8	0.39
CenturyLink	-	-	-	149,090	9	0.37
555 SW Oak LLC	-	-	-	138,509	10	0.34
Subtotal of Ten Largest Taxpayers	2,804,520		4.70	2,020,596		5.02
All Other Taxpayers	56,810,042		95.30	38,321,288		94.98
Total All Taxpayers	$ 59,614,562		100.00 %	$ 40,341,884		100.00 %

Notes
[1] 2023 information not available at time of distribution

Sources
Multnomah County, Division of Assessment and Taxation

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 8
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Property Tax Payers for Multnomah County
Prior Year and Nine Years Ago
Taxing District - 170 Multnomah County
(dollars in thousands)

	2022 [1]			2013		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Portland General Electric Co	$ 797,053	1	0.86 %	$ 447,185	2	0.70 %
Port of Portland	737,510	2	0.80	547,181	1	0.85
Pacifcorp (PP&L)	692,992	3	0.75	316,652	4	0.49
Boeing Company	463,664	4	0.50	171,248	9	0.27
Alaska Airlines Inc	371,871	5	0.40	181,860	7	0.28
Lumen Technologies Inc	328,167	6	0.35	-		-
Weston Investment Co LLC	306,030	7	0.33	256,447	5	0.40
Verizon Communications Inc	274,503	8	0.30	-		-
Comcast Corporation LLC	263,963	9	0.29	407,218	3	0.64
Northwest Natural Gas Co	228,630	10	0.25	-		-
Evraz Inc NA	-	-	-	218,521	6	0.34
Centurylink	-	-	-	175,920	8	0.27
AT&T Inc	-	-	-	170,751	10	0.27
Subtotal of Ten Largest Taxpayers	4,464,383		4.83	2,892,983		4.51
All Other Taxpayers	88,072,065		95.17	61,108,110		95.49
Total All Taxpayers	$ 92,536,448		100.00 %	$ 64,001,093		100.00 %

Notes

[1] 2023 information not available at time of distribution

Sources

Multnomah County, Division of Assessment and Taxation
Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 9
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ending June 30,	Net Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 321,693	$ 304,458	94.64%	$ 8,428	$ 312,886	97.26%
2015	341,388	323,906	94.88	8,236	332,142	97.29
2016	368,590	350,212	95.01	6,985	357,197	96.91
2017	386,715	368,085	95.18	6,588	374,673	96.89
2018	476,797	451,059	94.60	7,855	458,914	96.25
2019	495,645	474,602	95.75	7,711	482,313	97.31
2020	514,918	490,715	95.30	8,009	498,724	96.86
2021	536,371	512,270	95.51	5,347	517,617	96.50
2022	567,384	544,882	96.03	2,812	547,694	96.53
2023	592,538	565,245	95.39	-	565,245	95.39

Notes

The net taxes levied are combined for Multnomah, Washington, and Clackamas counties. Responsibility for the collection of all property taxes rests within each County's Department of Assessment and Taxation. Current taxes are assessed as of July 1, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

[1] The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 5. Note that the Net Taxes Levied in Schedule 5 is based on the Assessed Value, while data for this schedule is based on the actual Net Taxes Levied.

[2] Collections in subsequent years includes current year revenue received for taxes levied in prior years.

Sources

Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation

Schedule 10
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per student and per capita)

	General Bonded Debt						
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Assessed Taxable Value of Property [1]	Per Student [2]	General Obligation Debt Per Capita [4]
2014	$ 108,890	$ (361)	$ 10,209	$ 118,738	0.28%	$ 2,469	$ 153
2015	343,575	(1,363)	39,974	382,186	0.88%	7,887	484
2016	311,720	(2,698)	37,726	346,748	0.76%	7,066	433
2017	276,870	(3,301)	35,507	309,076	0.65%	6,283	383
2018	593,880	(4,229)	43,937	633,588	1.27%	12,785	780
2019	495,390	(10,552)	41,224	526,062	1.03%	10,617	647
2020	832,405	(13,568)	106,051	924,888	1.72%	18,693	1,134
2021	1,105,125	(10,482)	125,762	1,220,405	2.18%	25,794	1,496
2022	1,011,460	(11,780)	117,985	1,117,665	1.87%	24,566	N/A
2023	1,323,490	(15,516)	156,056	1,464,030	2.34%	32,208	N/A

	Other Governmental Activities Debt				
Fiscal Year	Limited Tax Pension Bonds [5]	Full Faith & Credit Obligations	Recovery Zone Bond	Qualified Zone Academy Bond (QZAB)	Leases and Subscriptions Payable
2014	$ 407,500	$ 12,261	$ 8,496	$ -	$ -
2015	395,958	9,970	7,611	-	-
2016	384,074	7,601	6,698	-	-
2017	372,250	10,200	5,757	4,000	-
2018	360,172	7,402	4,789	3,800	-
2019	348,222	4,503	3,790	3,600	-
2020	336,062	4,213	2,761	3,400	-
2021	314,159	3,918	1,700	3,200	-
2022	679,186	3,613	607	3,000	-
2023	640,890	3,298	-	2,800	2,585

Notes

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

[1] See Schedule 5 for property value data. The actual value of taxable property cannot be reasonably estimated so assessed value is used here.

[2] Student enrollment data can be found in Schedule 17.

[3] Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

[4] Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 13. Data for 2022 and 2023 not available at time of printing.

[5] Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

Net Unamortized Premium (Discount)	Total District [3]	Per Student [2]	Per Capita [4]
$ (209)	$ 547,147	$ 11,376	$ 704
(198)	796,890	16,445	1,008
(187)	747,632	15,234	933
(176)	704,408	14,320	872
(165)	1,013,815	20,458	1,249
(153)	896,576	18,094	1,103
(142)	1,284,750	25,966	1,575
(131)	1,553,733	32,839	1,904
1,259	1,817,110	39,939	N/A
(108)	2,129,011	46,837	N/A

Schedule 11
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2023
(dollars in thousands)

Overlapping Issuer	Net Property-tax Backed Debt[1]	Percent Overlapping	Overlapping Debt [2]
Burlington Water District	$ 1,031	100.00 %	$ 1,031
City of Beaverton	30,045	1.70	511
City of Lake Oswego	85,050	4.35	3,697
City of Milwaukie	54,893	0.66	360
City of Portland	392,915	88.09	338,242
Clackamas County	105,100	0.09	95
Clackamas Cty RFPD 1	23,489	0.10	22
Clackamas Soil & Water Conservation	5,416	0.09	5
Metro	822,714	36.94	303,883
Mt Hood Community College	73,420	0.07	49
Multnomah County	583,001	74.73	435,666
Multnomah County Drainage Dist 1	8,432	100.00	8,432
Multnomah Cty RFPD 10	881	0.20	2
Multnomah ESD	60,233	74.13	44,654
Portland Community College	669,475	46.45	310,943
Tualatin Hills Park & Rec District	47,826	1.21	578
Tualatin Valley Fire & Rescue District	55,780	1.72	959
Valley View Water District	918	100.00	918
Washington County	164,629	0.59	965
Subtotal, overlapping debt			1,451,012
Direct District debt (PERS) [3]			640,782
Direct District debt (other) [3]			1,489,098
Subtotal, Direct debt			2,129,880
Total direct and overlapping debt			$ 3,580,892

Notes

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[1] Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited-tax (GO) debt.

[2] Overlapping Debt is calculated using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

[3] Direct District debt is net of unamortized premiums and discounts.

Sources

Oregon State Treasury, Debt Mangement Division: Overlapping Debt Report

Schedule 12
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2023

Real Market Value	$ 157,078,161
Debt Limit (7.95% of Real Market Value) [1]	$ 12,487,714
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	1,479,546
Less: Amount Available in Debt Service Funds	(15,516)
Amount of Debt Applicable to Debt Limit	1,464,030
Legal Debt Margin	$ 11,023,684

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2014	5,917,214	118,738	5,798,476	2.01
2015	6,517,491	382,186	6,135,305	5.86
2016	7,228,979	346,748	6,882,231	4.80
2017	8,501,342	309,076	8,192,266	3.64
2018	9,670,978	633,588	9,037,390	6.55
2019	10,472,898	526,062	9,946,836	5.02
2020	10,698,745	924,888	9,773,857	8.64
2021	11,149,825	1,220,405	9,929,420	10.95
2022	11,707,470	1,117,665	10,589,805	9.55
2023	12,487,714	1,464,030	11,023,684	11.72

Allowable Percentage of Real Market Value:	
[A] Kindergarten through eighth grade, 9 x .0055	4.95%
[B] Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95% [1]

Notes

[1] ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

[A] For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

[B] For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Sources

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year

Schedule 13
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Calendar Years
Multnomah County

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate[2]
2014	776,712	$ 36,588,018	$ 47,106	6.8
2015	790,294	38,906,295	49,230	5.7
2016	801,539	41,735,341	52,069	4.9
2017	807,555	43,873,915	54,329	4.1
2018	811,880	46,966,887	57,850	4.0
2019	812,855	49,399,774	60,773	4.0
2020	815,637	52,080,033	63,852	11.6
2021	815,871	56,502,646	70,331	5.6
2022	- [1]	- [1]	- [1]	3.5
2023	- [1]	- [1]	- [1]	3.5

Notes

[1] Data for 2022 and 2023 not available at time of printing.

[2] Oregon unemployment rates as of June 30 each year.

Sources

US Department of Commerce, Bureau of Economic Analysis: population, personal income and per capita information.

US Department of Labor, Bureau of Labor Statistics: unemployment rate information.

Schedule 14
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Employers for the Portland Metro Area
Current Year and Nine Years Ago

	2023			2014		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel	22,328	1	1.77 %	16,700	1	1.56 %
Providence	19,687	2	1.56	14,132	2	1.32
Oregon Health & Science University	19,136	3	1.52	14,106	3	1.32
Nike Inc	15,125	4	1.20	7,000	10	0.65
Legacy Health	13,087	5	1.04	9,835	7	0.92
Kaiser Permanente	12,262	6	0.97	9,896	6	0.92
Fred Meyer Stores	9,374	7	0.74	10,176	5	0.95
Portland Public Schools	6,814	8	0.54			
City of Portland	6,483	9	0.51	9,318	8	0.87
Multnomah County	5,307	10	0.42			
US Federal Government				13,900	4	1.30
State of Oregon				7,559	9	0.71
Subtotal of Ten Largest Employers	129,603		10.27	112,622		10.52
All Other Employers	1,130,997		89.73	958,578		89.48
Total Portland MSA[1] Employment	1,260,600 [2]		100.00 %	1,071,200		100.00 %

Notes

[1] Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

[2] As of June 2023, not seasonally adjusted.

Sources

Portland Business Journal, Book of Lists, published December 2013 and December 2022

Oregon Employment Department, Workforce and Economic Research

Schedule 15
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Full-time Equivalent District Employees by Assignment/Function
Last Ten Fiscal Years

	Full-time Equivalent Employees for the Fiscal Year			
Assignment/Function	2014	2015	2016	2017
Teachers	2,384.0	2,606.8	2,632.5	2,737.7
Educational Assistants	509.8	582.1	667.8	674.3
School Level Administration	142.3	155.0	151.0	166.5
District Level Administration [1]	11.0	17.0	22.0	21.0
Other Staff	1,720.0	2,056.5	1,959.4	2,123.1
Total FTE	4,767.1	5,417.4	5,432.7	5,722.6

Notes

[1] Beginning in fiscal year 2020, Special Education staff previously shown as District Level Administration were reclassified to School Level Administration

Sources

Internal: System Planning and Performance - Analytics

2018	2019	2020	2021	2022	2023
2,684.2	2,697.3	2,709.3	2,749.2	2,720.8	2,685.6
680.8	647.1	688.5	640.1	647.5	675.9
167.3	165.5	172.5	174.5	184.5	179
19.2	16.0	4.0	4.0	7.0	4.0
2,275.2	2,048.1	2,234.4	2,330.2	2,383.0	2,595.8
5,826.7	5,574.0	5,808.7	5,898.0	5,942.8	6,140.3

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Meal and Transportation Services Provided
Last Ten Fiscal Years

	2014		2015		2016		2017	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals	1,313,005	25%	1,071,048	19%	1,114,504	20%	1,372,455	29%
Reduced Meals	375,796	7%	194,558	3%	209,753	4%	180,707	4%
Free Meals	3,560,251	68%	4,315,732	77%	4,141,824	76%	3,225,700	67%
Total meals served	5,249,052	100%	5,581,338	100%	5,466,081	100%	4,778,862	100%
Average Daily Breakfast Served	10,380		10,846		10,724		9,831	
Average Daily Lunch Served	18,668		19,710		19,083		18,173	
Student Participation[2]	45.80%		44.00%		44.40%		42.00%	
Transportation								
Number of buses	254		269		245		260	
Total miles traveled	3,156,795		3,127,505		3,273,739		4,174,150	
Cost per mile	$ 5.89		$ 5.97		$ 5.91		$ 4.88	
Area encompased by District (sq mi)	160		160		160		160	

	2018		2019		2020		2021	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals [3]	1,466,345	32%	1,621,312	34%	1,191,926	29%	-	0%
Reduced Meals [3]	261,833	6%	292,962	6%	199,756	5%	-	0%
Free Meals	2,877,750	62%	2,877,464	60%	2,767,579	67%	4,370,010	100%
Total meals served	4,605,928	100%	$ 4,791,738	100%	$ 4,159,261	100%	4,370,010	100%
Average Daily Breakfast Served	8,985		9,010		8,192		5,316	
Average Daily Lunch Served	17,793		17,356		13,830		5,332	
Student Participation[2]	38.67%		37.78%		37.36%		12.76%	
Transportation								
Number of buses	270		270		257		289	
Total miles traveled	3,506,305		3,587,525		2,993,965		851,568	
Cost per mile	$ 6.69		$ 7.51		$ 8.62		$ 26.57	
Area encompased by District (sq mi)	160		160		160		160	

	2022		2023	
Nutrition Services				
Number of Meals Served[1]				
Paid Meals [3]	-	0%	2,036,421	46%
Reduced Meals [3]	-	0%	46,519	1%
Free Meals	4,651,199	100%	2,354,745	53%
Total meals served	4,651,199	100%	4,437,685	100%
Average Daily Breakfast Served	6,712		7,627	
Average Daily Lunch Served	18,437		17,188	
Student Participation[2]	45.25%		39.87%	
Transportation				
Number of buses	220		286	
Total miles traveled [4]	2,744,944		3,429,840	
Cost per mile	$ 11.68		$ 12.33	
Area encompased by District (sq mi)	160		160	

Notes

[1] Number of meals served includes breakfast, lunch, snack, and supper.

[2] Student Participation percentage is calculated based on the average daily lunches served at elementary schools, middle schools, and high schools, over the average daily attendance (enrollment adjusted per industry factors) at the schools where nutrition services meals are served.

[3] Per USDA guidance, free meals were available to all students during the 2020-2021 & 2021-2022 school years.

[4] Due to COVID and Comprehensive Distance Learning, fewer students were transported to school sites during the 2020-2021 & 2021-2022 school years.

Sources

Internal: District Nutrition Services and Transportation departments

Schedule 17
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Abernethy	1924	99	45,464	528	511	513	519	516	520	507	451	374	353
Ainsworth	1912	111	53,483	576	582	600	605	638	625	644	594	553	563
Alameda	1921	102	72,748	773	760	730	747	734	730	704	623	525	538
Arleta	1929	94	98,245	476	454	456	457	454	490	526	485	269	256
Astor	1949	74	29,472	500	497	493	455	425	434	416	394	393	368
Atkinson	1953	70	53,170	441	428	435	432	420	419	391	390	342	337
Beach	1928	95	82,155	620	607	631	464	442	428	436	382	351	346
Beverly Cleary	1959	64	96,900	814	834	859	884	897	782	742	692	657	604
Boise-Eliot / Humboldt	1926	97	93,629	506	540	540	532	499	325	343	334	340	356
Bridger	1951	72	75,786	435	415	476	500	531	504	516	514	337	329
Bridlemile	1956	67	54,157	450	442	480	511	535	518	508	437	435	458
Buckman	1922	101	99,875	452	444	481	459	474	450	427	446	400	395
Capitol Hill	1917	106	49,621	405	460	437	448	442	443	416	346	324	333
César Chávez	1928	95	104,371	483	451	522	551	540	550	549	544	485	467
Chapman	1923	100	78,102	646	674	643	584	532	484	484	375	341	350
Chief Joseph	1948	75	43,215	642	627	604	326	363	358	351	305	269	261
Creative Science School Program	1955	68	48,651	425	444	476	492	479	466	468	450	419	423
Creston	1948	75	77,144	350	350	392	356	372	361	375	385	250	260
Duniway	1926	97	104,760	437	505	494	519	499	504	512	468	436	422
East Sylvan (Odyssey)	1932	91	24,875	-	-	-	-	-	-	-	244	219	225
Faubion	2017	6	133,576	487	511	479	532	710	767	786	740	703	684
Forest Park	1998	25	59,634	490	486	449	455	443	418	402	348	333	328
Glencoe	1923	100	61,457	502	503	500	492	489	451	449	395	373	394
Grout	1927	96	87,080	377	389	376	384	392	382	370	350	340	316
Harrison Park	1955	68	107,735	742	742	729	676	638	658	637	601	529	575
Hayhurst	1954	69	48,918	415	484	499	552	592	629	640	380	351	350
Irvington	1932	91	67,340	478	485	493	446	459	339	325	320	248	228
James John	1929	94	67,638	461	445	429	405	368	347	351	316	332	337
Kelly	1952	71	75,233	622	631	610	604	532	498	476	419	372	356
King	1925	98	153,475	331	370	400	386	389	321	341	324	315	334
Laurelhurst	1923	100	56,555	673	671	691	684	698	692	698	688	649	674
Lee	1952	71	61,161	493	431	456	447	425	276	269	262	236	276
Lent	1948	75	73,479	604	560	564	523	530	507	475	476	277	284
Lewis	1952	71	45,745	414	382	382	412	389	390	410	368	337	320
Llewellyn	1928	95	74,326	570	518	531	517	489	484	509	460	395	415
Maplewood	1948	75	37,713	333	329	359	384	378	383	374	347	291	310
Markham	1950	73	76,805	393	386	377	418	456	445	430	416	424	426
Marysville	1921	102	51,553	416	405	390	381	403	392	383	402	248	313
Peninsula	1952	71	59,957	376	396	374	266	279	267	265	237	201	225
Richmond	1908	115	82,254	687	677	629	649	647	632	627	600	551	539
Rieke	1959	64	32,886	388	388	402	410	386	379	368	329	313	300
Rigler	1931	92	78,199	463	480	451	472	441	308	307	268	237	223
Rosa Parks	2006	17	65,697	405	341	329	298	272	276	280	266	214	197
Rose City Park	2018	5	69,082	-	-	-	-	-	532	538	529	464	468
Roseway Heights				606	668	697	643	661	-	-	-	-	-
Sabin	1927	96	66,567	485	514	568	524	551	452	418	360	340	312
Scott	1949	74	65,425	507	481	473	512	521	459	485	460	429	453
Sitton	1949	74	57,289	376	399	390	401	364	367	374	337	307	346
Skyline	1939	84	35,760	265	309	300	300	293	274	248	181	205	215
Stephenson	1964	59	39,652	320	308	322	340	352	347	371	322	320	307
Sunnyside Environmental	1925	98	76,671	587	586	574	602	604	581	549	522	469	465
Vernon	1931	92	88,010	394	386	407	471	522	545	607	569	517	555
Vestal	1929	94	111,481	402	399	412	381	341	272	249	228	207	232
Whitman	1954	69	55,559	349	316	271	287	283	254	220	185	152	153
Winterhaven	1930	93	61,453	356	346	350	353	354	321	299	291	292	313
Woodlawn	1926	97	99,840	449	443	426	342	346	354	327	315	283	288
Woodmere	1954	69	50,130	371	338	312	303	286	310	273	269	253	235
Woodstock	1955	68	63,752	505	487	496	527	552	548	543	526	479	491
Elementary Schools Total			3,984,910	27,051	27,015	27,159	26,620	26,627	25,248	24,988	23,265	20,705	20,881

Schedule 17
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beaumont	1926	97	81,381	584	554	571	569	591	571	573	518	467	448
da Vinci	1928	95	72,063	468	465	458	461	457	456	450	443	415	434
George	1950	73	85,038	373	359	369	360	417	421	438	432	385	387
Gray	1951	72	82,744	464	527	566	546	536	542	566	509	478	483
Harriett Tubman	1952	71	83,673	-	-	-	-	-	491	430	443	388	361
Hosford	1925	98	74,964	576	591	640	631	621	588	651	676	629	566
Jackson	1964	59	218,118	533	548	606	597	659	746	793	803	752	793
Kellogg [2]	2022	2	108,112	-	-	-	-	-	-	-	-	684	661
Lane	1926	97	79,824	505	471	481	443	454	433	432	416	363	336
Mt. Tabor	1952	71	84,785	628	662	694	730	718	741	724	721	645	607
Ockley Green	1925	98	66,338	-	-	-	626	531	505	487	487	485	483
Roseway Heights	1921	102	99,825	-	-	-	-	-	588	614	617	589	583
Sellwood	1913	110	81,470	483	545	560	583	589	612	588	549	553	563
West Sylvan	1953	70	96,171	945	958	966	911	876	822	833	802	727	759
Middle Schools Total			1,314,506	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416	7,560	7,464
Benson	1917	106	412,855	830	879	914	994	1,026	1,035	1,055	1,005	895	827
Cleveland	1929	94	260,463	1,523	1,516	1,600	1,609	1,586	1,651	1,560	1,581	1,623	1,547
Franklin	1915	108	292,223	1,460	1,552	1,570	1,612	1,745	1,856	1,936	2,010	2,014	1,968
Grant	1923	100	328,425	1,486	1,503	1,481	1,476	1,512	1,638	1,813	1,965	2,126	2,159
Ida B. Wells-Barnett	1954	69	274,040	1,230	1,257	1,324	1,413	1,512	1,535	1,558	1,540	1,597	1,558
Jefferson	1909	114	330,332	511	493	524	590	677	656	641	620	588	607
Lincoln	2022	1	295,912	1,565	1,583	1,696	1,703	1,705	1,698	1,588	1,481	1,462	1,528
Leodis V McDaniel	1955	68	315,482	1,066	1,077	1,134	1,070	1,146	1,157	1,079	1,173	1,369	1,443
Marshall	1959	64	283,343	-	-	-	-	-	-	-	-	-	-
Roosevelt	1921	102	274,942	914	947	940	881	859	994	1,195	1,292	1,376	1,488
High Schools Total			3,068,017	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667	13,050	13,125
PPS Alternative Programs Total			302,529	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243	1,795	1,553
School and Alternative Programs Total			8,669,962	44,894	45,218	46,070	46,185	46,503	46,615	46,624	44,591	43,110	43,023
Community-Based Alternative Programs Total			-	1,055	1,034	964	968	1,035	912	973	872	637	683
Special Services Total			89,443	485	443	451	451	455	529	496	408	455	456
Public Charter Schools Total			16,755	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443	1,295	1,294
Total All			8,776,160	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314	45,497	45,456

Enrollment and Square Footage Summary by Category	Square Footage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Regular Programs											
Elementary Schools	3,984,910	27,051	27,015	27,159	26,620	26,627	25,248	24,988	23,265	20,705	20,881
Middle Schools	1,314,506	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416	7,560	7,464
High Schools	3,068,017	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667	13,050	13,125
PPS Alternative Programs	302,529	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243	1,795	1,553
Plus enrollment not normally within PPS facilities:											
Community Based Programs	-	1,055	1,034	964	968	1,035	912	973	872	637	683
Special Services	89,443	485	443	451	451	455	529	496	408	455	456
Public Charter Programs	16,755	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443	1,295	1,294
Other or vacant facilities	1,156,926										
	9,933,086	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314	45,497	45,456

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ADMw [3]	54,281	54,986	57,491	57,876	57,779	57,823	57,825	57,825	55,688	51,335

Age of Buildings	Median	Newest
Elementary Schools	84	5
Middle Schools	84	2
High Schools	97	1
Focus/Alternative Schools	88	68
Inactive or Other Facilities	63	43

[1] Enrollment counts are compiled on or about the first school day in October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

[2] Kellogg School opened in Fall 2022.

[3] Weighted Average Daily Membership ("ADMw") is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts. The most recent two years are preliminary data.

MLK Jr Project Community Care August 2022

Duniway Elementary November 2022

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS

Board of Education
School District No. 1J, Multnomah County
Portland, Oregon

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.
- Public charter school requirements.

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the *Schedule of Findings and Questioned Costs as* Finding 2023-001 in the District's Report on Requirements for Federal Awards that we consider to be a material weakness.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

This report is intended solely for the information and use of the Board of Education, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 21, 2023

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation, gender expression or identity, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, veteran's status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnci origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, or veterans' status or any other persons with whom the individual associates.

Board of Education Policy 1.80.020-P

Contact Information for Civil Rights Matters

District Title VI:	Gillian Murr	Phone: 503-916-6499
District Title IX:	Liane O'Banion	Phone: 503-916-3025
District 504:	James Loveland	Phone: 503-916-2000 x71041
American Disabilities Act:	Human Resources	Phone: 503-916-3544

2022-23 ACFR Preparation

Vacant, Chief Financial Officer
Alexandra Martin, Finance Project Manager

Accounting
Tracy Pinder, Sr. Director- Financial Services
Melissa Ensminger, Sr. Manager- General Ledger
Kiran Markos, Manager- General Ledger
J Cooper, Accountant/Analyst- Student Body Funds
Chad Hepner, Bond Accountant
Michael Johnson, Sr. Accountant/Analyst
Shannon Sinclair, Sr. Accountant/Analyst

Budget & Grant Accounting
Junho Chang, Sr. Manager Budget
Kristin Johnson, Manager- Grant Accounting
Zeb Petterborg, Manager- Budget Systems
Mark Davenport, Grant Accountant
Abdullah Elmadhoun, Sr. Grant Accountant
Stacey Hoang, Sr. Budget Analyst
Abigail Jorgenson, Sr. Budget Analyst
Premila Kumar, Sr. Budget Analyst
Jeeranan McKee, Sr. Grant Accoutant
Aaron Musk, Sr. Grant Accountant
Alysha Rayford, Sr. Grant Accountant
Patrick Rodeman, Sr. Budget Analyst
Rachel Spires, Sr. Grant Accountant
David Stone, Fiscal Services Associate III

Financial Systems
Kathleen Hiigel, Manager- Financial Systems
Rona Galarza, Sr. Financial Systems Analyst
Matthew Howe, Sr. Financial Systems Analyst

Payroll
Ondra Matthews, Sr. Manager- Payroll
Megan Gremer, Manager- Payroll Systems
Debbie Chan, Accountant/Analyst
Deborah Finzo, Fiscal Services Clerk
Marisha Reese, Financial Services Associate III
Marina Vlasenko, Financial Services Associate III
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Treasury / Accounts Receivable
Michael Nixon, Sr. Treasury Manager
Teresa Eckblad, Finance Clerk
Gary Stamps, AR Accountant

Accounts Payable
Rebecca Dingman, Manager- Accounts Payable
Kristen Barsotti, Fiscal Services Associate II
Michael DeVeto, Fiscal Services Associate I
Shawna DeWitt, Fiscal Services Associate II
Jamie Farrington, Fiscal Services Associate II- Bond
Suzanne Rademacher, Fiscal Services Associate II
Gisela Rodriquez Lopez, Fiscal Services Associate I

Myong Leigh
Interim Deputy Superintendent
Business & Operations

PORTLAND PUBLIC SCHOOLS
501 N. Dixon, Portland, OR 97227
Phone: (503) 916-3115 • Fax: (503) 916-2125

December 21, 2023

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for School District No. 1J, Multnomah County, Oregon (Portland Public Schools)

Portland Public Schools respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2023. The audit was completed by the independent auditing firm Talbot, Korvola & Warwick, LLP and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on January 9, 2024, as indicated by signatures below.

The deficiency is listed below, including the adopted plan of action and timeframe.

Finding 2023-001

Criteria
The District has the responsibility for establishing and maintaining effective internal control over financial reporting.
Condition
A material weakness in controls over financial reporting was identified for controls over revenue recognition.
Cause
The cause appears to be related to turnover in accounting positions, a lack of communication from other departments with the Finance department, and the complexity of the transactions.
Effect or potential effect
Revenue and expenditures were overstated by $9,304 thousand in the Special Revenue Fund, and revenue was overstated and unearned revenue was understated by $119,899 thousand in the Capital Projects Fund prior to being corrected by the District. A lack of effective internal
controls over financial reporting for revenue may allow a material misstatement due to error or fraud.
Recommendation
The District should implement policies and procedures to ensure that revenue is properly recorded.
Views of responsible officials
The District understands and concurs with this finding. The District has implemented the attached corrective action plan.

Document the plan of action

1. District executive financial leadership will meet with Senior Leadership team members receiving grant funding and finance team leadership to review the process for accepting and documenting receipt of federal and state grant funds. The process will be updated to include a proactive process requiring receipt of documentation of the source of funding prior to spending or receipt of funds.

2. Accounting and Grant Managers will attend ongoing professional development and have membership to professional organizations to ensure the District is well informed of all federal and state funding available to K-12 education.

Date of implementation: December 21, 2023

_____	_____
Gary Hollands, Board Chair	Signature
_____	_____
Guadalupe Guerrero, Superintendent	Signature

School District No. 1J, Multnomah County, Oregon

PORTLAND PUBLIC SCHOOLS

REPORT ON REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

For the year ended June 30, 2023

Portland Public Schools

Report on Requirements for Federal Awards (Uniform Guidance)

For the year ended June 30, 2023

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Finance Department

PPS

School District No. 1J,
Multnomah County, Oregon
Portland Public Schools

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Community Care at MLK Jr. – August 2022

First Day of School Da Vinci Arts – August 2022

PPS

Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
School District No. 1J, Multnomah County, Oregon
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompany *Schedule of Findings and Questions Costs* as Finding 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

An independently owned member RSM US Alliance

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The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Talbot, Korvola & Warwick, LLP

Portland, Oregon
December 21, 2023

Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
School District No. 1J, Multnomah County, Oregon
Portland, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District No. 1J, Multnomah County, Oregon (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

An independently owned member RSM US Alliance

RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 21, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Talbot, Korwola & Warwick, LLP

Portland, Oregon
December 21, 2023

PPS

First Day of School at Lincoln HS – August 2022

Kelly Elementary – October 2022

PPS

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
Department of Agriculture							
	Food and Nutrition Service						
	Child Nutrition Cluster						
10.553	***School Breakfast Program***						
202	School Breakfast Program	N/A	07/01/22-06/30/23	Pass-Thru		$ 2,370,848	
10.555	***National School Lunch Program***						
202	Donated Foods					1,633,906	
202	National School Lunch Program	N/A	07/01/22-06/30/23	Pass-Thru		8,474,945	
10.559	***Summer Food Service Program for Children***						
202	Donated Foods					43,422	
202	Summer Food Service Program for Children	N/A	07/01/22-06/30/23	Pass-Thru		527,506	
10.582	***Fresh Fruit and Vegetable Program***						
202	Fresh Fruit and Vegetable Grants	Multiple	07/01/22-06/30/23	Pass-Thru		567,314	
				Total Child Nutrition Cluster		**13,617,941**	
10.558	***Child and Adult Care Food Program***						
202	Child and Adult Care Food Program	N/A	07/01/22-06/30/23	Pass-Thru		626,707	
				Pass-Thru from Oregon Department of Education		14,244,648	
Department of Agriculture Total							**$14,244,648**
Department of The Interior							
	US Geological Survey						
15.808	***US Geological Survey Research and Data Collection***						
G2119	FED- UGGS Mt Tabor	N/A	10/01/21-09/30/22	Direct	29,000	7,152	
				Direct Funding		7,152	
Department of The Interior Total							**$7,152**
Federal Communication Commission							
32.009	***Emergency Connectivity Fund Program***						
G2221	FED-ECF-Emergency Connectivity	N/A	07/01/21-06/30/23	Direct	9,303,600	9,303,600	
				Direct Funding		9,303,600	
Federal Communication Commission Total							**$9,303,600**
National Science Foundation							
47.076	***STEM Education***						
G1923	FED- Developing Leaders, Transforming Practice	1906565	09/01/19-08/31/23	Direct	1,088,014	86,475	
				Direct Funding		86,475	
National Science Foundation Total							**$86,475**
Department of Education							
	Office of Career, Technical, and Adult Education						
84.048	***Career and Technical Education - Basic Grants to States***						
G2089	FED- Carl Perkins 21/22	66151	07/01/21-09/30/22	Pass-Thru	443,721	116,602	
G2253	FED- Carl Perkins 22/23	72340	07/01/22-06/30/23	Pass-Thru	511,848	368,689	
						485,291	
84.051	***Career and Technical Education - National Programs***						
G1928	FED - Perkins Innovation	V051F190033	10/01/19-09/30/22	Direct	500,001	182,545	
	Office of Elementary and Secondary Education						
84.010	***Title I Grants to Local Educational Agencies***						
G1991	FED- Title IA- Central	58346	07/01/20-09/30/22	Pass-Thru	3,190,619	67,623	
G2004	FED- ESSA Partnerships 20/21	60419	07/01/20-09/30/22	Pass-Thru	970,600	600	
G2050	FED- Title IA- School Budgets	67054	07/01/20-09/30/23	Pass-Thru	6,391,778	168,595	
G2051	FED- Title IA- Central	67054	07/01/21-09/30/23	Pass-Thru	1,618,697	2,600,039	
G2052	FED- Title IA- Focus/Priority	67054	07/01/21-09/30/23	Pass-Thru	1,865,714	166,063	
G2056	FED- Title ID	66907	07/01/21-09/30/23	Pass-Thru	193,514	95,288	
G2064	FED- ESSA 19-20 Supplement	65142	07/01/21-09/30/22	Pass-Thru	974,345	808,814	
G2107	FED- ESSA Partnerships 21/22	68002	10/01/21-09/30/23	Pass-Thru	965,325	743,250	
G2230	FED- Title IA- School Budgets	72595	07/01/22-09/30/23	Pass-Thru	6,319,680	6,001,683	
G2231	FED- Title IA- Central	72595	07/01/22-09/30/23	Pass-Thru	2,090,030	1,519,790	
G2232	FED- Title IA- Focus/Priority	72595	07/01/22-09/30/23	Pass-Thru	1,522,014	745,368	
G2236	FED- Title ID	73063	07/01/22-09/30/23	Pass-Thru	216,786	2,424	
						12,919,537	

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
Department of Education (Continued)							
84.011	***Migrant Education State Grant Program***						
G1993	FED- Title IC- Migrant Education	58942	07/01/20-09/30/23	Pass-Thru	468,536	$ 10,676	
G1995	FED- Title IC- Migrant Education Summer	66116	07/01/20-09/30/23	Pass-Thru	127,669	24,548	
G2053	FED- Title IC- Migrant Education	68116	07/01/21-09/30/23	Pass-Thru	536,294	54,771	
G2054	FED- Title IC- Migrant Education Preschool	68145	07/01/21-09/30/22	Pass-Thru	344	344	
G2055	FED- Title IC- Migrant Education Summer	70946	04/01/22-09/30/23	Pass-Thru	138,885	93,632	
G2233	FED- Title IC- Migrant Education	73283	07/01/22-09/30/23	Pass-Thru	488,675	460,930	
G2234	FED- Title IC- Migrant Education Preschool	73265	07/01/22-09/30/23	Pass-Thru	8,311	6,362	
						651,263	
84.013	***Title I State Agency Program for Neglected and Delinquent Children and***						
G2079	FED- Title ID - Portland DART Schools	15642	07/01/21-06/30/23	Pass-Thru	269,000	120,175	
84.060	***Indian Education Grants to Local Educational Agencies***						
G2242	FED- Indian Education Title VI	S060A220938	07/01/22-09/30/23	Direct	100,241	99,656	
84.184	***School Safety National Activities***						
G2262	FED-SBMH	S184H220169	01/01/23-12/31/27	Direct	200,473	3,430	
84.196	***Education for Homeless Children and Youth***						
G2063	FED- McKinney Vento Homeless	66238	07/01/21-09/30/23	Pass-Thru	1,924	1,924	
G2243	FED- McKinney Vento Homeless	74848	07/01/22-09/30/23	Pass-Thru	40,500	38,954	
						40,878	
84.365	***English Language Acquisition State Grants***						
G1877	FED- Title III - English Language Acquisition	53453	07/01/19-09/30/22	Pass-Thru	994,894	26,296	
G1999	FED- Title III - English Language Acquisition	58501	07/01/20-09/30/23	Pass-Thru	559,315	180,987	
G2059	FED- Title III - English Language Acquisition	67160	07/01/21-09/30/23	Pass-Thru	536,667	117,391	
G2239	FED- Title III - English Language Acquisition	73119	07/01/22-09/30/23	Pass-Thru	529,400	2,077	
						326,751	
84.367	***Supporting Effective Instruction State Grants***						
G1879	FED- Title IIA- Private School Allocation	53612	07/01/19-09/30/22	Pass-Thru	23,535	18,834	
G1998	FED- Title IIA- Private School Allocation	58838	07/01/20-09/30/23	Pass-Thru	191,507	91,796	
G2057	FED- Title IIA- Teacher Quality	67488	07/01/21-09/30/23	Pass-Thru	1,196,937	281,197	
G2058	FED- Title IIA- Private School Allocation	67488	07/01/21-09/30/23	Pass-Thru	216,231	102,390	
G2237	FED- Title IIA- Teacher Quality	72792	07/01/22-09/30/23	Pass-Thru	1,161,055	734,496	
G2238	FED- Title IIA- Private School Allocation	72792	07/01/22-09/30/23	Pass-Thru	206,283	34,989	
						1,263,702	
84.411	***Education Innovation and Research***						
G1716	FED-PREP Education Innovation	U411C170253	10/01/17-06/30/23	Direct	3,918,325	813,790	
84.424	***Student Support and Academic Enrichment Program***						
G1899	FED- Title IV-A Student Support 19/20 Private	54602	07/01/19-11/09/22	Pass-Thru	123,547	18,388	
G2000	FED- Title IV-A Student Support 20/21	58648	07/01/20-09/30/23	Pass-Thru	629,461	23,859	
G2060	FED- Title IV-A Student Support 21/22	66844	07/01/21-09/30/23	Pass-Thru	199,040	97,504	
G2061	FED- Title IV-A Student Support 21/22 Private	66844	07/01/21-09/30/23	Pass-Thru	199,040	38,417	
G2240	FED- Title IV-A Student Support 22/23	72989	07/01/22-09/30/23	Pass-Thru	652,366	145,853	
G2241	FED- Title IV-A Student Support 22/23 Private	72989	07/01/22-09/30/23	Pass-Thru	115,905	21,814	
						345,835	
	Office Of Special Education and Rehabilitative Services						
	Special Education Cluster (IDEA)						
84.027	***Special Education Grants to States***						
G2082	FED-IDEA Sec 611 2021-22 Formu	68708	07/01/21-09/30/23	Pass-Thru	8,501,827	685,598	
G2111	FED- IDEA Part B, Section 611	68459	07/01/21-09/30/23	Pass-Thru	2,041,028	789,687	
G2120	FED- IDEA Part B, Section 611 Equipment	75372	07/01/22-09/30/23	Pass-Thru	544,028	426,495	
G2121	FED- IDEA Part B, Section 611	74104	07/01/22-09/30/23	Pass-Thru	8,896,408	8,496,975	
G2071	FED - CRP 611	11046-A6	07/01/21-06/30/23	Pass-Thru	12,354,200	5,938,809	
G2072	FED- CRP - Audiology	11046-A6	07/01/21-06/30/23	Pass-Thru	907,838	453,919	
G2073	FED- CRP - TBI	11046-A6	07/01/21-06/30/23	Pass-Thru	42,500	21,250	
G2074	FED- CRP - Addition	11046-A6	07/01/21-06/30/23	Pass-Thru	400,000	200,000	
,G2077	FED- Providence Nursing	15286	07/01/21-06/30/23	Pass-Thru	42,878	42,878	
G2081	FED- DART IDEA	15642	07/01/21-06/30/23	Pass-Thru	58,600	56,515	
						17,112,126	
84.173	***Special Education Preschool Grants***						
G2083	FED- IDEA Part B, Section 619 21/22	68983	07/01/21-09/30/23	Pass-Thru	97,055	91,761	
G2112	FED- IDEA Part B, Section 619 22/23	69227	07/01/21-09/30/23	Pass-Thru	50,179	11,049	
G2116	FED- CRP 619	11046-A6	07/01/21-06/30/23	Pass-Thru	130,862	92,498	
						195,308	
			Total Special Education (IDEA) Cluster				**17,307,434**
84.126	***Rehabilitation Services Vocational Rehabilitation Grants to States***						
G1790	FED-YTP Vocational Rehabilitation Grant	160741	07/01/19-06/01/23	Pass-Thru	825,996	156,124	
G2250	FED- OR Commission for the Blind	101-22	07/01/22-09/30/23	Pass-Thru	190,340	141,596	
						297,720	

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
Department of Education (Continued)							
	Education Stabilization Fund						
84.425D	***Elementary and Secondary School Emergency Relief Fund***						
G1984	FED- ESSER	57893	03/13/20-09/30/22	Pass-Thru	8,354,389	$ 252,475	
G2041	FED- ESSER II	64664	01/26/21-09/30/23	Pass-Thru	32,836,859	17,356,025	
						17,608,500	
84.425U	***American Rescue Plan Elementary and Secondary School Emergency Relief Fund***						
G2094	FED- ESSER III	64968	03/13/20-09/30/24	Pass-Thru	73,817,944	22,272,669	
G2104	FED- ARP-HCY I	69308	07/01/21-06/30/24	Pass-Thru	62,142	3,743	
G2114	FED- ARP-HCY II	69389	04/23/21-09/30/24	Pass-Thru	254,510	142,601	
G2118	FED- Proof of Concept Literacy Grant	21396	07/01/22-09/30/23	Pass-Thru	500,000	287,955	
G2229	FED-CRP ESSER II	73155	03/13/20-09/30/23	Pass-Thru	1,287,669	712,432	
						23,419,400	
			Total Education Stabilization Fund			**41,027,900**	
	Office of Postsecondary Education						
84.334	***Gaining Early Awareness and Readiness for Undergraduate Programs***						
G1827	FED- E3 - Engage, Empower, Elevate	P334A180117	10/01/18-09/30/25	Direct	6,265,600	1,898,671	
				Direct Funding		2,998,092	
				Pass-Thru from Oregon Department of Education		74,488,766	
				Pass-Thru from Oregon Commission for the Blind		141,596	
				Pass-Through from Oregon Department of Human Services		156,124	
Department of Education Total							**$77,784,578**
Department of Health and Human Services							
	Administration for Children and Families						
	Head Start Cluster						
93.600	***Head Start***						
G2021	FED-Head Start COVID19	10CH01071902C3	01/01/20-10/31/22	Direct	39,301	39,301	
G2065	FED- Head Start 21/22	10CH010719-04-00	11/01/21-10/31/22	Direct	5,686,462	2,304,233	
G2097	FED- HS American Rescue Plan	10HE00042601-C6	04/01/21-03/31/23	Direct	355,361	120,475	
G2245	FED- Head Start 22/23	10CH01071905	11/01/22-10/31/23	Direct	5,830,128	3,731,420	
				Total Head Start Cluster		**6,195,429**	
	Centers for Disease Control and Prevention						
93.079	***Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance***						
G1770	FED- SAY Wellness	NU87PS004369-01-0(	08/01/18-07/31/23	Direct	1,846,994	336,404	
G2030	FED- SAY Wellness COVID	NU87PS004369C3	08/01/20-07/31/23	Direct	549,606	261,155	
						597,559	
93.136	***Injury Prevention and Control Research and State and Community Based Programs***						
G2559	FED-Crime Prevention	HD-IGA-E-14121-202:	03/01/22-06/30/23	Pass-Thru	3,557	3,557	
93.297	***Teenage Pregnancy Prevention Program***						
G1985	FED- MultCo Teen Pregnancy	HD-IGA-E-12731-2021	07/01/20-06/30/23	Pass-Thru	158,467	158,467	
	Centers for Medicare and Medicaid Services						
	Medicaid Cluster						
93.778	***Medical Assistance Program***						
G2023	FED- Medicaid - CRP Audiology	N/A	07/01/20-06/30/25	Pass-Thru	104,215	32,578	
G2025	FED- Medicaid - SPED	N/A	07/01/20-06/30/25	Pass-Thru	212,288	1,976	
				Total Medicaid Cluster		**34,554**	
	Substance Abuse and Mental Health Services Administration						
93.788	***Opioid STR***						
G1912	FED-Health for K-5	159879	04/15/19-12/31/23	Pass-Thru	17,935	17,935	
				Direct Funding		6,792,988	
				Pass-Thru from Multnomah County		162,024	
				Pass-Thru from Oregon Department of Human Services		52,489	
Department of Health and Human Services Total							**$7,007,501**
Department of Homeland Security							
	Federal Emergency Management Agency						
97.036	***Disaster Grants - Public Assistance***						
G2027	FED-FEMA Covid 19 Reimbursement	N/A	03/20/20-Ongoing	Pass-Thru	1,889,873	1,889,873	
				Pass-Thru from Oregon Office of Emergency Management		1,889,873	
Department of Homeland Security Total							**$1,889,873**
	Grand Total					**$ 110,323,828**	**$110,323,828**

This schedule is prepared on the modified accrual basis of accounting.

1 Donated food is valued at estimated fair value.

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for State, Local and Indian Tribal Governments, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2023.

Expenditure Recognition

Expenditures of federal awards are accounted for under the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

Subrecipients

The District does not pass-through federal awards to any subrecipients.

PPS

Grant HS Dance Collective – Fall 2022

Duniway Elementary – November 2022

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

SECTION I — SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No ____
- Significant deficiency(ies) identified? Yes ____ No X

Noncompliance material to financial statements noted? Yes ____ No X

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes ____ No X
- Significant deficiency(ies) identified? Yes ____ No X

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes ____ No X

Identification of major federal programs:

Assistance Listing Number(s)	***Name of Federal Program or Cluster***
32.009	Emergency Connectivity Fund Program
84.027, 84.173	Special Education – Grants to States (IDEA, Part B); Special Education – Preschool Grants (IDEA Preschool)
84.367A	Supporting Effective Instruction State Grants
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: $ 3,000,000

Auditee qualified as low-risk auditee? Yes X No ____

SECTION II — FINANCIAL STATEMENT FINDINGS

Finding 2023-001

Criteria: The District has the responsibility for establishing and maintaining effective internal control over financial reporting.

Condition: A material weakness in controls over financial reporting was identified for controls over revenue recognition.

Cause: The cause appears to be related to turnover in accounting positions, a lack of communication from other departments with the Finance department, and the complexity of the transactions.

Effect or potential effect: Revenue and expenditures were overstated by $9,304 thousand in the Special Revenue Fund, and revenue was overstated and unearned revenue was understated by $119,899 thousand in the Capital Projects Fund prior to being corrected by the District. A lack of effective internal controls over financial reporting for revenue may allow a material misstatement due to error or fraud.

Recommendation: The District should implement policies and procedures to ensure that revenue is properly recorded.

Views of responsible officials: The District understands and concurs with this finding. The District has implemented their corrective action plan.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs were reported.

PPS

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Summary of Prior Year Findings and Questioned Costs
For Non-Compliance with Federal and State Requirements
For the Year Ended June 30, 2023

Prior Year Audit Findings
The District did not have any prior year audit findings reported

Woodlawn Elementary – March 2023

Roosevelt Theatre, Failure a Love Story – February 2023

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation, gender expression or identity, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, veteran's status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnci origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, or veterans' status or any other persons with whom the individual associates.

Board of Education Policy 1.80.020-P

Contact Information for Civil Rights Matters

District Title VI:	Gillian Murr	Phone: 503-916-6499
District Title IX:	Liane O'Banion	Phone: 503-916-3025
District 504:	James Loveland	Phone: 503-916-2000 x71041
American Disabilities Act:	Human Resources	Phone: 503-916-3544

2022-23 ACFR Preparation

Vacant, Chief Financial Officer
Alexandra Martin, Finance Project Manager

Accounting
Tracy Pinder, Sr. Director- Financial Services
Melissa Ensminger, Sr. Manager- General Ledger
Kiran Markos, Manager- General Ledger
J Cooper, Accountant/Analyst- Student Body Funds
Chad Hepner, Bond Accountant
Michael Johnson, Sr. Accountant/Analyst
Shannon Sinclair, Sr. Accountant/Analyst

Budget & Grant Accounting
Junho Chang, Sr. Manager Budget
Kristin Johnson, Manager- Grant Accounting
Zeb Petterborg, Manager- Budget Systems
Mark Davenport, Grant Accountant
Abdullah Elmadhoun, Sr. Grant Accountant
Stacey Hoang, Sr. Budget Analyst
Abigail Jorgenson, Sr. Budget Analyst
Premila Kumar, Sr. Budget Analyst
Jeeranan McKee, Sr. Grant Accoutant
Aaron Musk, Sr. Grant Accountant
Alysha Rayford, Sr. Grant Accountant
Patrick Rodeman, Sr. Budget Analyst
Rachel Spires, Sr. Grant Accountant
David Stone, Fiscal Services Associate III

Financial Systems
Kathleen Hiigel, Manager- Financial Systems
Rona Galarza, Sr. Financial Systems Analyst
Matthew Howe, Sr. Financial Systems Analyst

Payroll
Ondra Matthews, Sr. Manager- Payroll
Megan Gremer, Manager- Payroll Systems
Debbie Chan, Accountant/Analyst
Deborah Finzo, Fiscal Services Clerk
Marisha Reese, Financial Services Associate III
Marina Vlasenko, Financial Services Associate III
James Young, Financial Services Associate III

Treasury / Accounts Receivable
Michael Nixon, Sr. Treasury Manager
Teresa Eckblad, Finance Clerk
Gary Stamps, AR Accountant

Accounts Payable
Rebecca Dingman, Manager- Accounts Payable
Kristen Barsotti, Fiscal Services Associate II
Michael DeVeto, Fiscal Services Associate I
Shawna DeWitt, Fiscal Services Associate II
Jamie Farrington, Fiscal Services Associate II- Bond
Suzanne Rademacher, Fiscal Services Associate II
Gisela Rodriquez Lopez, Fiscal Services Associate I

PORTLAND PUBLIC SCHOOLS
OFFICE OF DEPUTY SUPERINTENDENT
BUSINESS & OPERATIONS
501 North Dixon Street | Portland, OR 97227
Telephone: (503) 916-3380

Date: January 9, 2024

To: Board of Education

From: Myong Leigh

CC: Guadalupe Guerrero

Subject: Background Information re. Audit Finding

We wanted to share some background information regarding a finding in this year's Annual Comprehensive Financial Report (ACFR). The Board's Audit Committee also held a thorough discussion of the ACFR on December 19 including discussing this finding and its remedies, which are being implemented.

The finding pertains to two revenue transactions the auditors noted as misclassified. The first transaction involved $9.3 million that the District received in June 2022 through the federal Emergency Connectivity Fund grant. These funds allowed the district to cover purchases of Chromebooks and hotspots that had initially been funded through a combination of other grants and bond funds. When the ECF grant was awarded, the revenue was recorded in a Special Revenue fund (Fund 205), and approved expenditures were reclassified accordingly. However, when shifting the expenditures, revenue was also inadvertently coded in a capital projects fund (Fund 458), which effectively duplicated revenue recording. Due to the complexity of this transaction spanning two fiscal years, staff shortages/outages, and necessary consultation with internal (OTIS and Grant Accounting) and external (Federal ECF grant personnel) partners, this duplication of revenue was not initially caught on review.

The second transaction involved $120M that PPS received in December 2022 from the State of Oregon for relocation/replacement of Harriet Tubman MS. The full amount of the grant was inadvertently recorded as revenue when received, but should have been recorded as a liability (deferred revenue) until earned. Revenue would be "earned" as progress advanced on the relocation/replacement. Due to the complexity of the transaction, which included establishing a new fund and project ID for tracking/reporting, as well as difficulty getting details regarding the agreement, the recognition of revenue/deferred revenue was not initially caught on review.

These issues are addressed in a single audit finding for which corrective actions have been identified, and the appropriate adjustments have been reflected in the financial statements.

Please let me know if you have any questions.

Myong Leigh
Interim Deputy Superintendent
Business and Operations

Portland Public Schools
501 North Dixon Street • Portland, OR 97227
Office: (503) 916-5120
www.pps.net

Date: December 27, 2024

To: Board of Education

From: Myong Leigh, Interim Deputy Superintendent of Business and Operations

Subject: Resolution to Amend the 2023-24 Adopted Budget, Amendment No. 1

BACKGROUND

During the course of the year, there are occasions and circumstances that require an entity to update its budget. This is a common and routine best practice to ensure that proper spending levels are maintained in accordance with what has transpired throughout the school year. Oregon Local Budget Law allows budget changes after adoption under prescribed guidelines.

This proposed amendment adjusts resources (i.e. revenues) within Fund 100 (General Funds), Fund 200 (Special Revenue Funds), and Fund 400 (Capital Projects Fund) to recognize additional resources. The proposed amendment also adjusts requirements (i.e. expenses) within Fund 100 (General Funds), Fund 200 (Special Revenue Funds), Fund 400 (Capital Projects Fund), and Fund 600 (Internal Service Fund) to meet the projected spending requirements.

Note there have been changes to the amendment following the preview district staff shared with the Board on December 12, 2023. Fund 100 and Fund 200 proposed adjustments have changed, and the proposed amendment now also includes Fund 400 and Fund 600. The resolution, slide deck and other accompanying materials provide details on the changes.

100 - General Fund Adjustments

Resource (i.e. Revenue) Changes

- Increase resources in Beginning Fund Balance to recognize the updated figure based on 2022-23 Unaudited Actuals; State Sources to recognize the increase in the State School Fund; and County and Intermediate sources to reflect increase in MESD transit.
- Decrease resources in Local Property Taxes to align with valuation; Local Option Levy to recognize updated valuation figures from the Assessor's Office; and Local Sources to align to prior year actuals and to reflect estimated increases in investment income.

Requirement (i.e. Expense) Changes

- Increase requirements in Instruction to reflect contractual agreement with PAT and temporary rate increase for substitute educators December 18-22.
- Increase requirements in Support Services to reflect contractual agreement with PAT and wage proposals for other units. The amendment also includes adjustments to account for costs related to Transportation and Maintenance costs.

Myong Leigh
Interim Deputy Superintendent
Business and Operations

Portland Public Schools
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200 - Special Revenue Fund Adjustments

Resource (i.e. Revenue) Changes

- Increase resources in State Sources to recognize the increase in Student Investment Account and Early Literacy Grant, net of the reduction in High School Success (M98).

Requirement (i.e. Expense) Changes

- Increase requirements in Instruction to reflect contractual agreement with PAT.
- Increase requirements in Support Services to reflect contractual agreement with PAT.
- Increase requirements in Enterprise and Community Services to reflect contractual agreement with PAT.
- Increase requirements in Contingency to reflect Student Investment Account remaining funds to be allocated.

400 - Capital Projects Fund Adjustments

- Increase resources in Beginning Fund Balance and State Sources to recognize the updated figures based on 2022-23 unaudited actuals.
- Decrease resources in Other Revenue from Local Sources and Bond Proceeds & Premiums.
- Increase requirements in Facilities Acquisition and Construction to reflect actual funds available.

600 - Internal Service Fund Adjustments

- Decrease requirements in Contingency and increase requirements in Support Services by the same amount to true up to actual spend.

RELATED POLICIES/BEST PRACTICES

Oregon Local Budget Law, Oregon Revised Statutes (ORS) 294.305 to ORS 294.565, allows budget changes after adoption under prescribed guidelines.

ANALYSIS OF SITUATION

Should the Board choose not to pass this resolution, appropriation levels may be exceeded and potentially in violation of Oregon Local Budget Law.

FISCAL IMPACT

No further impacts beyond that which have been outlined above.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

District staff members engage with the Community Budget Review Committee regarding budget-related matters throughout the year.

TIMELINE FOR IMPLEMENTATION / EVALUATION

N/A

Myong Leigh
Interim Deputy Superintendent
Business and Operations

Portland Public Schools
501 North Dixon Street • Portland, OR 97227
Office: (503) 916-5120
www.pps.net

BOARD OPTIONS WITH ANALYSIS

The Board may choose to pass or not pass the proposed budget amendment resolution. If passed, the District will move forward with its amended spending plan for the Fiscal Year 2023-24. The consequences of non-passage would mean appropriations would not be available for anticipated expenditures, and reductions would need to be made in order to stay within appropriations and remain in compliance with Oregon Local Budget Law.

STAFF RECOMMENDATION

Staff recommends that the Board pass the proposed resolution to amend the 2023-24 budget.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

__*ML*_____ *(Initials)*

ATTACHMENTS

- Resolution
- Attachment A - Summary of Amendments to 2023-24 Budget - Amendment No. 1
- Presentation

RESOLUTION NO. 6813

Amendment No. 1 to the Fiscal Year 2023-24 Budget for
School District No. 1J, Multnomah County, Oregon

RECITALS

A. On June 13, 2023, the Board of Education ("Board"), by way of Resolution No. 6718, voted to adopt an annual budget for the Fiscal Year 2023-24 as required under Local Budget Law; and

B. Board Policy 8.10.030-AD, "Budget Reallocations - Post Budget Adoption," establishes the guidelines to ensure consistent and detailed communication on fiscal issues between the Superintendent and the Board; and

C. Oregon Local Budget Law, ORS 294.471, allows budget changes after adoption under prescribed guidelines; and

D. This Amendment No. 1 amends the budget to align with current projections. Budget changes are summarized in Attachment A and include the following major components:
    i. $15,152,000 - General Fund (Fund 100)
        1. Increase the beginning fund balance to reflect 2022-23 unaudited actuals
        2. Increase resources in Local Property Tax, Other Local Sources, State Sources, Federal Sources
        3. Decrease resources in Local Option Taxes and County and Intermediate Sources
        4. Increase requirements in Instruction and Support Services, including temporary rate increase for substitute educators December 18-22
    ii. $8,744,000 - Special Revenue Fund (Fund 200)
        1. Adjust resources in the Student Investment Account and Integrated Grant and Early Literacy Grant
        2. Increase requirements in Instruction, Support Services, Enterprise and Community Services, and Contingency
    iii. $37,083,000 - Capital Projects Fund (Fund 400)
        1. Increase resources in Beginning Fund Balance and State Sources to reflect 2022-23 unaudited actuals
        2. Decrease resources in Other Revenue from Local Sources and Bond Proceeds & Premiums (bond proceeds were included in 2022-23)
        3. Increase requirements in Facilities Acquisition and Construction to reflect actual funds available
    iv. $0 - Internal Service Fund (Fund 600)
        1. Decrease requirements in Contingency $1,000,000 and increase requirements in Support Services $1,000,000 to true up to actual spend

E. This resolution is to enable the Board to approve Amendment No. 1 to the annual budget for Fiscal Year 2023-24, and is allowed under ORS 294.471(a) (b) (c) (d) & (h), which states that the budget may be amended at a regular meeting of the governing body; and

F. The Superintendent recommends approval of this resolution.

RESOLUTION

BE IT RESOLVED that the Board of Directors of Portland Public Schools hereby amends budgeted expenditure appropriation levels as summarized by Fund and Appropriation Level in Attachment A for the fiscal year beginning July 1, 2023.

(Attachment A) Portland Public Schools
Adjustments to the 2023-24 Adopted Budget
Amendment for January 9, 2024

(in thousands)

	Adopted Budget	Adjustment	Amended Budget
100 - General Funds			
Resources			
Beginning Fund Balance	94,984	10,513	105,497
Local Property and Other Taxes	329,746	(162)	329,584
Local Option Taxes	114,676	(5,836)	108,840
Other Local Sources	22,603	(3,743)	18,860
County and Intermediate Sources	10,019	873	10,892
State Sources	259,931	13,506	273,437
Federal Sources	15	-	15
Interfund Transfers	0	-	0
Other	1,800	-	1,800
Total	833,773	15,152	848,925
Requirements			
Instruction	416,837	7,827	424,664
Support Services	367,876	3,549	371,425
Enterprise and Community Svcs	4,194	-	4,194
Debt Service	728	-	728
Transfers of Funds	1,075	-	1,075
Contingency	43,063	3,776	46,839
Total	833,773	15,152	848,925
200 - Special Revenue Funds			
Resources			
Beginning Fund Balance	54,533	-	54,533
Property and Other Taxes	320	-	320
Other Revenue from Local Sources	13,390	-	13,390
Intermediate Sources	6,162	-	6,162
State Sources	63,991	8,744	72,735
Federal Sources	108,106	-	108,106
Interfund Transfers	75	-	75
All Other Resources	900	-	900
Total	247,477	8,744	256,221
Requirements			
Instruction	108,069	5,250	113,319
Support Services	85,231	1,992	87,223
Enterprise and Community Svcs	32,945	301	33,246
Facilities Acquisition and Construction	606	-	606
Transfers of Funds		-	
Contingency		1,200	1,200

Unappropriated Ending Fund Balance	20,627	-	20,627
Total	247,478	8,744	256,222

300 - Debt Service Funds

Resources

Beginning Fund Balance	10,000	-	10,000
Property and Other Taxes	157,472	-	157,472
Other Revenue from Local Sources	89,612	-	89,612
Federal Sources		-	
Bond Proceeds & Premiums		-	
Interfund Transfers	619	-	619
Total	257,703	0	257,703

Requirements

Debt Service	252,016	-	252,016
Unappropriated Ending Fund Balance	5,686	-	5,686
Total	257,702	0	257,702

400 - Capital Projects Funds

Resources

Beginning Fund Balance	399,356	331,393	730,749
Other Revenue from Local Sources	17,939	(1,100)	16,839
Intermediate Sources		-	
State Sources	2,900	119,700	122,600
Bond Proceeds & Premiums	412,910	(412,910)	0
Interfund Transfers	1,000	-	1,000
Total	834,105	37,083	871,188

Requirements

Support Services	2,385	-	2,385
Facilities Acquisition and Construction	831,102	37,083	868,185
Transfers of Funds	619	-	619
Total	834,106	37,083	871,189

600 - Internal Service Funds

Resources

Beginning Fund Balance	5,163	-	5,163
Other Revenue from Local Sources	3,834	-	3,834
Total	8,997	0	8,997

Requirements

Support Services	3,647	1,000	3,647
Contingency	5,351	(1,000)	5,351
Total	8,998	0	8,998

All Funds Total	2,182,057	60,979	2,243,036

Certain numbers have been rounded up or down; there may be discrepancies between the actual totals of the individual amounts in the total shown.

Portland Public Schools
Adjustments to the 2023-24 Adopted Budget
Amendment for January 9, 2024

(in thousands)

	Resources	General Funds (100)	Special Revenue Funds (200)	All Other Funds
		$ 833,773	**$ 247,477**	**$ 1,100,805**
	Adjustments:			
1	Increase in General Fund Beginning Fund Balance - based on Unaudited Actuals through June 30, 2023.	10,513		
2	General Fund property taxes updated to reflect valuation; increase in State School Fund reflected in State Resources	-162		
3	Decrease in General Fund Local Option Levy based on updated data from Assessor's Office.	-5,836		
4	Decrease in General Fund Local Sources due to true up for other local sources; aligned projection to prior year actuals. Investment income was increased.	-3,743		
5	Increase in General Fund County and Intermediate Sources due to MESD apportionment estimated at $5.5M.	873		
6	Increase in General Fund State Sources due to increase in State School Fund, which is offset by a reduction of $1M in High Cost Disability	13,506		
7	Increase in Fund 200 State Sources due to increase in Student Investment Account ($6.6M) and addition of Early Literacy Grant ($3.2M). Reduction in High School Success M98 of $1.1M (from $13.4M to $12.3M).	0	8,744	
8	Increase in Capital Projects Fund Beginning Fund Balance and State Sources and decrease Other Revenue from Local Sources and Bond Proceeds & Premiums based on unaudited actuals through June 30, 2023.			37,083
	Total Resource Changes	15,152	8,744	37,083
	Recommended Amended Resource Budget	**$ 848,925**	**$ 256,221**	**$ 1,137,888**

	Requirements	Function	General Funds (100)	Special Revenue Funds (200)	All Other Funds
			$ 833,773	**$ 247,477**	**$ 1,100,805**
	Adjustments:				

1	Increase in General Fund Instruction to account for contractual agreement with PAT, including updated step and COLA, stipends, workload relief, rapid response team staff, insurance premiums. Includes true up costs for Substitutes, Overages, and Extended Hours.	1000	7,827		
2	Increase in General Fund Support Services to account for contractual agreement with PAT and reflect current bargaining proposals with other labor units. Includes true up costs for Substitutes, Extended Hours, Transportation and Maintenance, and Purchased Services.	2000	3,549		
3	Increase in General Fund Contingency is due to additional beginning fund balance and State School Fund. Contingency funds continue to be reviewed to meet contractual agreements, both in the current fiscal year and outyears.	8000	3,776		
4	Fund 200: Increase Instruction to include cost of PAT contractual agreement on special revenues.	2000		5,250	
5	Fund 200: Increase Support Services to include cost of PAT contractual agreement on special revenues.	2000		1,992	
6	Fund 200: Increase Enterprise and Community Services to include cost of PAT contractual agreement on special revenues.	3000		301	
7	Fund 200: Increase Contingency to reflect additional Student Investment Account funding.	8000		1,200	
8	Fund 400: Increase Facilities Acquisition and Construction to reflect actual funds available.	4000			37,083
9	Fund 600: Decrease Contingency.	6000			1,000
10	Fund 600: Increase Support Services to true up to actual spend.	2000			-1,000
	Total Requirement Changes		15,152	8,744	37,083
	Recommended Amended Requirement Budget		**$ 848,925**	**$ 256,221**	**$ 1,137,888**

PORTLAND
Public Schools

2023-24 Budget Amendment 1

Regular Board Meeting

January 9, 2024

Context

- On December 12th, the District shared preliminary adjustments to the General Fund following several major events:
  - Negotiations with PAT concluded, and a finalized contract is now in place.
  - Negotiations with other labor partners are underway.
  - The audit is now in its final stages.
- Given additional analysis, the District now has updated revenue and expenditure adjustments that better estimate impact of PAT contractual agreements and the possible impact of negotiations underway.

General Funds (Fund 100): Revenues

+$10.5M	The Beginning Fund Balance was updated to reflect 2022-23 Unaudited Actuals ($95.0M → $105.5M)
+$13.3M	Local Property Taxes and State Sources were updated to reflect increases in the State School Fund (SSF) and adjusted to better reflect actuals
+$0.9M	County and Intermediate Sources estimates have increased based on 2022-23 actuals and updated estimates of funding from MESD
-$3.7M	Other Local Sources are estimated to decrease to better reflect actuals.
-$5.8M	Local Option Levy, per updated information from the Assessor's Office, are estimated to decrease ($114.7M → $108.8M)
+$15.2M	**Total Revenue Updates**

(See Appendix for more details)

General Funds (Fund 100): Requirements/Expenditures

+$7.8M	Instruction requirements for 23-24 increased to include contractual agreement with PAT. Costs for the next two years will increase significantly with implementation of higher COLAs, planning time, behavioral and mental health supports, and adjustments to substitute, overage, and extended hours costs. Cost of health premiums have been adjusted.
+$3.5M	Support Services requirements increased to include proposed increases for other labor partners (e.g., increasing minimum hourly wage). These requirements also include adjustments to fund transportation and maintenance costs. Cost of health premiums have been adjusted.
+$3.8M	Contingency requirements increased. The District is planning for $10M in spending restrictions and reductions in 23-24 to support increased costs resulting from bargaining as well as evaluating possible savings from vacancies/hiring freezes.
+$15.1M	**Total Requirements / Expenditure Updates**

Note: Figures are rounded; estimates will update as additional information becomes available.

General Funds (Fund 100): Multi Year Forecast

Dollars in Thousands	Updated GF 2023-24	Projected GF 2024-25	Projected GF 2025-26
Beginning Fund Balance	105,497	70,133	42,004
Total Resources	743,428	764,276	780,185
Total Expenses	788,792	833,405	855,976
Gap Closing Needed	***10,000***	***41,000***	***79,000***
Projected Ending Fund Balance	70,133	42,004	45,212

Note: Figures include the latest agreement with PAT; figures may update as additional information becomes available.

Special Revenue Funds (Fund 200)

Revenues

+$8.7M	State Sources increased to reflect increases in the Student Investment Account (SIA) ($36.4M → $43.1M) and Early Literacy Grant (+$3.2M), as well as a reduction in High School Success (M98) ($13.4M → $12.3M)
+$8.7M	**Total Revenue Updates**

Requirements

+$6.1M	Instruction increased to reflect the impact of the PAT contract on special revenues
+$2.3M	Support Services increased to reflect the impact of the PAT contract on special revenues
+$2.3M	Enterprise and Community Services increased to reflect the impact of the PAT contract on special revenues
+$8.7M	**Total Requirements Updates**

Next Steps

- Staff will continue to provide regular financial updates to the Board regarding 2023-24 including possible additional proposed amendments.
- PPS staff have begun the 2024-25 budget development planning cycle and will provide updates to the Board regarding both the process and financials.

Appendix

Gen. Fund (100) Resources - Changes Since 12/12/23

Fund & Category	12/12/23 Total & Variance from Adopted	01/09/24 Total & Variance from Adopted	Explanation
Local Property Taxes and State Sources	$602.3M +12.6M	$603.0M +$13.3M	Property Taxes decreased from $335.4M (-$5.9M) as this was updated to reflect tax assessor's valuation and SSF formula revenue. State Sources increased from $266.9M (+$6.6M), as this was updated to reflect the latest updates from ODE (12/13/23 District Estimates), which include a reduction in the funding ratio and an increase in the Common School Fund.
County and Intermediate Sources	$8.9M -$1.1M	$10.9M +$0.9M	Increased by $2M to reflect currently projected revenue Multnomah Educational Service District (MESD) from $3.5M to $5.5M.
Other Local Sources	$26.4M +3.8M	$18.9M -$3.7M	Reduced by $7.6M to align Local Sources to currently assumed Property Taxes and reflect higher investment income. Prior year taxes and penalty/interest is now included as part of current year property taxes. Local sources are now based on 22-23 unaudited actuals and grown at 2% to more closely reflect actuals.
Local Option Levy	$111.4M -$3.3M	$108.8M -$5.8M	Reduced by $2.6M to reflect decline in local option levy
Federal Sources	$21K +6K	$15K Unchanged	Reduced by $6K

Early Literacy Grant

Background

- This is a new grant designed to support literacy development for our youngest learners.
- CBRC has recommended increased support for early literacy.

Preliminary Proposal

- Additional Reading Intervention Specialists
- Expand Science of Reading aligned resources, training and teacher professional capacity
- Summer 2024 Learning Acceleration
- High Dosage Tutoring
- Supports for multilingual, emergent bilingual, and special education students

Total: $3.2 million

Integrated Grant

Background

- PPS's Integrated Grant allocations within the Student Investment Account and M98 were adjusted per ODE due to changes in state resourcing. The state resources that fund these two grants had shifts in overall revenue, meaning all school districts across Oregon saw changes to these allocations for FY24.

Preliminary Proposal

- Lessen impact of High School Success (M98) funding decrease. SIA absorbed $500k; reductions within the High School Success budget are in contracts/supplies/materials.
- School-based coordinators to address student out-of-school learning barriers (Community Schools) - 3 FTE through December 2023
- Summer programming 2024
- Additional Comprehensive School Psychologists - 3 FTE
- Dual Language Immersion/English Language Development focused staff to support the programmatic, assessment, and wrap-around family needs of our multilingual learners - 4 FTE
- Instructional specialists at new Comprehensive School Improvement (CSI)-designated schools - 3 FTE (may increase as we learn more about designations)

Total: $5.5 million

CBRC Feedback - Key Takeaways

Strengths & Opportunities

Student Enrollment Pilot Program: Members appreciated and supported the proactive enrollment studies that the district is pursuing.

Continued Investment in Learning Acceleration: Members re-emphasized the CBRC recommendation to transition ESSER funded learning acceleration specialists to ongoing funding and stated their support of transitioning the Director of Learning Acceleration role to ongoing funding.

Areas of Concern & Further Refinement

Early Literacy Investments: Members encouraged further investment in FTE for early literacy and highlighted a need for more educational assistants in the early grades.

Social-Emotional Investments: Members described a need for more social-emotional learning investments, particularly in middle grades, and the need for more counselors.

Reserves

Members expressed the need to balance both the importance of building the reserves for long-term planning as well as the need to make immediate investments, particularly in student-facing FTE.

Date: January 5, 2024

To: PPS Board of Education

From: Members of the PPS Community Budget Review Committee (CBRC)

Dear PPS Board of Directors,

The PPS Community Budget Review Committee (CBRC) is writing to you to provide advisory support as you make decisions regarding the first amendment to the 2023-24 budget.

CBRC initially engaged with PPS staff on the budget amendment in September; you can review content related to this engagement in the staff memo: September Staff Report on CBRC Comments on Budget Amendment. Since this time, there have been changes to the proposed budget amendment. CBRC members have reviewed the updated amendment content and offer these observations and recommendations.

Observations

- Over the three year period (2023-2024 to 2025-2026), the forecast projects approximately $2,310,731,000 in total resources and $2,503,831,000 in total expenses, for a net deficit of approximately $193,100,000. This gap is addressed by:
    - (i) decreasing the Fund 100 balance (reserves) by approximately $62,296,000, and
    - (ii) by realizing approximately $130,000,000 in savings ("gap closing needed").

  Without detail the CBRC cannot assess the prudence of reducing reserves, which we have consistently supported building. More information about the use of the fund balance and ways in which savings are achieved would be required to make recommendations regarding this approach for balancing the budget.

  The proposed expense reductions for the current budget year are $10,000,000. PPS should provide more information regarding how they plan to achieve this reduction, and why they do not recommend a larger or smaller amount would be advisable. At staff's urging, the ending balance (aka reserves) is initially increased so as to lighten the cuts in future years. The presentation also notes that the third year is the start of the next biennium, which may result in increased legislative revenues, perhaps obviating further cuts.

Recommendations

- PPS should monitor current and future enrollment for changes beyond demographics on which budget projections were based.

- At the time of CBRC review, critical information regarding anticipated Special Revenues was delayed. Included in Special Revenues are Early Literacy Grant appropriations which may release funds already dedicated to these purposes.

- Cuts should not affect instructional quality of students in the first year, to allow more time to adjust the upcoming budget while minimizing negative impacts for students.

- The board should carefully review how cuts will impact the attainment of the four Board Goals, all of which focus on student academic achievement at various milestones across the K-12 years.

- If any of the gap closing measures will require reductions to direct-service staffing, including school reconfigurations or closures, we recommend the Board first look for all other possible areas of reduction, including, but not limited to: reduction of expenditures for contracts, curriculum expansion, reduction of central administrator and program manager positions, and other non direct-service expenditures before making cuts to direct-service staffing. If program or school closure reductions are contemplated the Board should be vigilant in holding harmless our student populations who have been most impacted by reconfigurations, closures, and other disruptions to community, specifically schools serving the highest populations of Black, Indigenous students and other historically and currently underserved students.

Respectfully submitted,

Members of the Community Budget Review Committee:

Tasz Ferguson
Grace Groom
Mariah Hudson
Roger Kirchner
Stephan Lindner

RESOLUTION No. 6814

Resolution to Rescind Board Policy

Rescission of:

i. 0.10.010-P Strategic Plan

RECITALS

A. On October 11, 2023, the Board of Education's Policy Committee reviewed and considered the necessity and relevance of:

i. 0.10.010-P Strategic Plan

B. On November 28, 2023, the Board presented the first reading of the policy for rescission.

C. The public comment period was open for at least 21 days, and no public comments were received.

RESOLUTION

The Board hereby rescinds the following policy:

i. 0.10.010-P Strategic Plan

and instructs the Superintendent to rescind and/or revise any administrative directives that are no longer accurate or relevant as a result of rescinding these policies.

Portland Public School District 1st Reading

DATE OF FIRST READING: November 28, 2023

PUBLIC COMMENT FOR
Rescission of
Policy 0.10.010-P:
Strategic Plan

The Portland Public School District is providing Notice of Proposed Revised Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

Open for Comment until at least:
December 19, 2023

Summary: **Rescission of Strategic Plan 0.10.010-P**

1st Reading by: **Director Julia Brim-Edwards**
Portland Public School Board, Policy Committee Chair

Recommended for a 1st Reading by:
Portland Public Schools Board of Education
Policy Committee

Draft Policy Web Site: http://www.pps.net/draftpolicies

Contact: **Rosanne Powell,** Senior Board Manager
Address: P.O. Box 3107, Portland, OR 97208-3107
Telephone: 503-916-3741
E-mail: schoolboard@pps.net

Draft Policy Comment Form: https://forms.gle/VqYbmVA36qqADj6n6

Included in Packet	Page
Staff Report	03
Original Policy	04

Portland Public Schools
501 N Dixon St. / Portland, OR 97217

STAFF REPORT

Date: October 12, 2023

To: School Board

From: Mary Kane, Senior Legal Counsel

Subject: Proposed rescission of Strategic Plan 0.10.010-P

BACKGROUND

A proposal to rescind this policy was heard by the Policy Committee at its October 11, 2023, meeting. The recommendation for rescission was made as the policy was adopted before 2005, relates to a superseded strategic plan, and isn't appropriate for a policy. The District has developed a new strategic plan.

ANALYSIS OF SITUATION

A Board policy is not the typical format for a strategic plan, and the District's comprehensive, multi-year objectives- *Forward Together 2021–2025 Strategic Plan for Racial Equity, Inclusion, and Excellence* are published on the District's website.

FISCAL IMPACT

There is no fiscal impact.

COMMUNITY ENGAGEMENT

There was no community engagement other than discussion in the Policy Committee public meeting.

STAFF RECOMMENDATION

Staff recommends the rescission of this policy.

ATTACHMENTS

A. Strategic Plan 0.10.010-P

PORTLAND PUBLIC SCHOOLS Portland, Oregon
501 N. Dixon St • Portland, OR 97227 • (503) 916-2000

0.10.010-P Strategic Plan

Mission

The mission of Portland Public Schools is to support all students in achieving their very highest educational and personal potential, to inspire them an enduring love for learning, and prepare them to contribute as citizens of a diverse, multicultural, and international community.

Core Values

We believe that:

- Every human being has intrinsic value.
- Creating trusting relationships, working together and building on the strengths of our diversity are essential for a strong community.
- Everyone has the ability to learn.
- When individuals have equitable and just access to opportunities and have satisfied basic needs, they can realize their full potential and contribute to the community.
- Involving stakeholders in decision-making leads to better outcomes.
- Adult behavior is a powerful teacher for young people.
- Assuming individual and collective responsibility for the choices we make is critical to creating he future we desire.

Strategic Objectives

By 2005:

- 100% of our students will demonstrate significant growth every year toward achieving rigorous system-wide academic expectations.
- 100% of our students will continually set ambitious learning goals, persist in pursuing those goals, and demonstrate evidence of progress.
- 100% of our students will willingly and regularly contribute to the community.

Strategies

- We will create a system-wide culture that reflects an ethic of service, excellence, and respect.
- We will create partnerships with stakeholders to achieve our strategic objectives and mission.

- We will actively select, support and retain employees who contribute to accomplishing the mission and strategic objectives and who reflect the diversity of our students.
- We will eliminate the achievement disparity of low income children, children of color, and English Language Learners in relation to District Standards.
- We will, in partnership with stakeholders, monitor, propose, influence, and negotiate legislation and regulations to support implementation of strategic objectives.
- We will provide the means and flexibility necessary for each school and department to develop and implement a plan that meets the strategic objectives and holds each accountable for its contribution to meeting those objectives.
- We will adopt system-wide standards for students' achievement of the strategic objectives and he means to assess them at each school.
- We will not initiate any new program or service unless:
    - It is consistent with and contributes to our mission, and
    - It is accompanied by a plan to assess its effectiveness relative to achieving our strategic objectives and mission.
- We will not enter into any new agreement unless it is consistent with and contributes to our mission.

Back to Policies and Administrative Directives

PORTLAND PUBLIC SCHOOLS

Translate

Select Language

RESOLUTION No. 6815

Resolution to Adopt Revised Policy District Performance Auditing 1.60.040-P

RECITALS

A. On November 30 2023, the Board Policy Committee reviewed and considered the proposed revisions of the District Performance Auditing 1.60.040-P policy.

B. On December 12, 2023, the Board presented the first reading of the revised District Performance Auditing policy.

C. District Performance Auditing 1.60.040-P that was first read on December 13, 2023, has since been corrected to reflect a technical amendment to comply with Board Policy 1.20.014-P Board Committees, attached hereto as Exhibit A.

D. Pursuant to District policy, the public comment was open for at least 21 days, and there was no public comment received during the comment period.

RESOLUTION

The Board hereby adopts the revised District Performance Auditing 1.60.040-P policy with the technical amendment to conform to Board Policy 1.20.014-P and instructs the Superintendent to amend any relevant administrative directives to conform to this adopted policy.

Board Policy 1.60.040-P

District Performance Auditing

I. Office of Performance Auditor

A. Portland Public Schools shall maintain an Office of Performance Auditor. The office shall be staffed by a Board-approved District Performance Auditor (Auditor), who shall be hired, evaluated, and may be removed by the Board, and such other employees or contractors as the Board provides budgetary funding.

B. The Office of Performance Auditor shall adhere to Generally Accepted Government Auditing Standards (GAGAS) in conducting its work and shall be considered independent as defined by those standards.

II. Audit Committee

A. The Audit Committee shall be comprised of five members appointed by the Board and all appointees shall be independent of the district's management and administrative service. The Audit Committee will be comprised of three members of the Board and two community members that ~~H~~have a general knowledge of the District and the audit process.

B. The two community members shall serve as non-voting members of the Audit Committee for two years and may be re-appointed at the end of their term.

C. The Board recognizes that community members bring specialized knowledge and expertise to the Audit Committee. ~~The school board instructs e~~Community members serving on the Audit Committee shall ~~to~~ employ discretion, avoid conflicts of interest and their appearance, and exercise care in performing their duties. Community members appointed to the Audit Committee shall follow the ethics rules contained in ORS Section 244.

D. The Audit Committee welcomes up to two students to participate as ex officio members of the Audit Committee. The students may be appointed to the Audit Committee by the Student Representative to the Board and/or at the discretion of the Chair of the Audit Committee.

E. The Auditor and their staff shall report to the Audit Committee, and the Auditor shall be annually evaluated by the Board using the school district's evaluation instrument. The Auditor shall report to the Deputy Superintendent for Business & Operations (or comparable role) for administrative purposes such as leave approval, office space and supplies, paychecks, and reimbursements.

III. Assistants and Employees

A. The Office of Performance Audit shall be provided a separate budget (subject to available resources) sufficient to carry out the responsibilities and functions established in this policy.

B. Within budget limitations and consistent with District policies and procedures, the Auditor shall have the authority to ~~appoint~~, employ, and remove other employees of the Office of Performance Audit or contractors as deemed necessary for the efficient and effective administration of the duties of the office.,.

IV. Scope of Audits

A. The Auditor shall have authority to conduct performance or other audits of all schools, offices, activities, and programs – including contracted programs - to independently determine whether:

1. Activities and programs being implemented have been authorized by District policy, state law, or applicable federal law or regulations;

2. Activities or programs are conducted efficiently and effectively to accomplish the objective intended by District policy, state law, or applicable federal law or regulations;

3. Activities and programs are being conducted and funds expended in compliance with applicable laws;

4. Revenues are being properly collected, deposited, and accounted for;

5. Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the programs and activities;

6. There are adequate operating and administrative procedures and practices, systems or accounting internal control systems, and internal management controls which have been established by management; or

7. Indications of fraud, abuse, or illegal acts are identified for further investigation.

B. The Auditor may provide non-audit services that are not covered by Government Audit Standards, provided that the service does not impair the auditor's independence. Decisions to perform non-audit services will be based on two overarching principles:

1. Audit organizations should not provide non-audit services that involve performing management functions or make management decisions; and

2. Audit organizations should not audit their own work or provide nonaudit services in situations where the non-audit services are significant/material to the subject matter of audits.

V. Audit Plan

A. At the beginning of each fiscal year, the Auditor shall submit a proposed annual audit plan to the Audit Committee for review and input. The plan shall include the schools, offices, activities, functions, and programs proposed for audit during the year. Upon review of the plan, the Audit Committee will recommend an annual audit plan to the full Board for approval.

B. In consultation with the Audit Committee, the Auditor will select topics based on potential for cost savings and service improvements; level of public and school board interest; evidence of problems or wrongdoing; risk of loss or abuse; and availability of audit staff.

VI. Access to Employees, Records and Property

A. All District officers and employees of shall furnish the Auditor with requested information and unrestricted access to employees, information, and records within their custody or control regarding powers, duties, activities, organization, property, equipment, financial transactions, contracts, and methods of business required to conduct an audit or otherwise perform audit duties. Officers or employees who fail to provide access and/or information requested by the Auditor, may be subject to discipline up to and including termination.

B. All contracts with outside contractors and subcontractors shall provide for Auditor access to all financial and performance-related records, property, and equipment purchased in whole or in part with District funds.

C. The Auditor shall not publicly disclose any information received during an audit involving matters that are confidential, privileged, or are otherwise exempt from disclosure under applicable state or federal law. Reporting in such cases may be limited to the Board.

VII. Views of Responsible Officials

A. A final draft of each audit report shall be delivered to the manager responsible for the audited program and the Superintendent for review and comment before it is released. The responsible manager must respond in writing specifying agreement with audit findings and/or recommendations or reasons for disagreement with findings and/or recommendations, plans for implementing solutions to issues identified, and a timetable to complete such activities. The auditor must receive the response within 15 working days. The Auditor may revise its report based on the substantive input of the responsible manager. The Auditor will report the responsible manager's response to the Auditor's findings, conclusions, and recommendations, as well as the responsible manager's planned corrective actions. If no response is received within the

specific timeframe, the Auditor will note that fact in the audit report and will release the report. In the case of contracted audits, audits may be released without inclusion of a response.

VIII. Audit Reports

A. Each audit will result in a written report containing relevant background information, findings and recommendations and shall be delivered to the Audit Committee, Board, and the Superintendent. The report shall also be available for public examination, except as otherwise provided in this policy or prohibited by law.

IX. Report of Irregularities

If during an audit, the Auditor becomes aware of abuse or illegal acts or indications of such acts that could affect the District, the auditor shall report the irregularities to the Audit Committee and the Superintendent. If the Superintendent is believed to be a party to abuse or illegal acts, the Auditor shall report the acts directly to the Audit Committee chair.

X. Annual Report

A. The auditor shall submit an annual report to the Board within 90 days of the fiscal year end indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management.

XI. Audit Follow-up

A. Responsible managers should provide quarterly reports about the implementation of corrective action plans as specified in the plan. The Auditor may request periodic status reports from audited entities regarding actions taken to address reported deficiencies, audit recommendations, and completed action plans.

District Performance Auditing

XII. Contract Auditors, Consultants, and Experts

A. Within budget limitations, the Auditor may obtain the services of Certified Public Accountants, qualified management consultants, or other professional experts as necessary to perform the Auditor's duties.

History: Adopted 6/71; amended 12/83; re-organizational rescission 9/9/02; re-adopted 6/13/05 BA 3330; amended 8/13/07; amended 12/11/2018

Portland Public School District 1st Reading

DATE OF FIRST READING: December 12, 2023

PUBLIC COMMENT FOR
Revision of
Policy 1.60.040-P:
District Performance Auditing

The Portland Public School District is providing Notice of Proposed Revised Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

Open for Comment until at least: January 02, 2024

Summary: **Revision of Policy 1.60.040-P: District Performance Auditing**

1st Reading by: **Director Julia Brim-Edwards**
Portland Public School Board, Policy Committee Chair

Recommended for a 1st Reading by:
Portland Public Schools Board of Education
Policy Committee

Draft Policy Web Site: http://www.pps.net/draftpolicies

Contact: **Rosanne Powell,** Senior Board Manager
Address: P.O. Box 3107, Portland, OR 97208-3107
Telephone: 503-916-3741
E-mail: schoolboard@pps.net

Draft Policy Comment Form: https://forms.gle/VqYbmVA36qqADj6n6

Included in Packet	**Page**
Staff Memo	03
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Redlined Policy with Proposed Changes	09
Original/Current Policy	15

PORTLAND PUBLIC SCHOOLS

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2000
Mailing Address: P. O. Box 3107 / 97208-3107

Staff Memo

Date: November 30, 2023

To: Board of Education

From: Janise Hansen, Sr Internal Performance Auditor

Subject: Update to Policy 1.60.040-P District Performance Auditing

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Background

At the September 13, 2023 meeting of the Audit Committee, committee members requested an update to the District Performance Auditing policy (1.60.040-P) to formalize the participation of community members on the Audit Committee. It has been the practice of the Audit Committee to invite two community members to participate as members of the Audit Committee; the updates to the policy formalize this practice in the policy.

At the November 30, 2023 Policy Committee meeting, committee members reviewed the updates to this policy. The updated language was approved by the committee who then recommended it move to the full Board for a First Reading.

Board Policy 1.60.040-P

District Performance Auditing

I. Office of Performance Auditor

A. Portland Public Schools shall maintain an Office of Performance Auditor. The office shall be staffed by a Board-approved District Performance Auditor (Auditor), who shall be hired, evaluated, and may be removed by the Board, and such other employees or contractors as the Board provides budgetary funding.

B. The Office of Performance Auditor shall adhere to Generally Accepted Government Auditing Standards (GAGAS) in conducting its work and shall be considered independent as defined by those standards.

II. Audit Committee

A. Have a general knowledge of the District and the audit process The Auditor and their staff shall report to the Audit Committee, and the Auditor shall be annually evaluated by the Board using the school district's evaluation instrument. The Auditor shall report to the Deputy Superintendent for Business & Operations (or comparable role) for administrative purposes such as leave approval, office space and supplies, paychecks, and reimbursements.

III. Assistants and Employees

A. The Office of Performance Audit shall be provided a separate budget (subject to available resources) sufficient to carry out the responsibilities and functions established in this policy.

B. Within budget limitations and consistent with District policies and procedures, the Auditor shall have the authority to appoint, employ, and remove other employees of the Office of Performance Audit or contractors as deemed necessary for the efficient and effective administration of the duties of the office.

IV. Scope of Audits

District Performance Auditing

A. The Auditor shall have authority to conduct performance or other audits of all schools, offices, activities, and programs – including contracted programs - to independently determine whether:

1. Activities and programs being implemented have been authorized by District policy, state law, or applicable federal law or regulations;

2. Activities or programs are conducted efficiently and effectively to accomplish the objective intended by District policy, state law, or applicable federal law or regulations;

3. Activities and programs are being conducted and funds expended in compliance with applicable laws;

4. Revenues are being properly collected, deposited, and accounted for;

5. Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the programs and activities;

6. There are adequate operating and administrative procedures and practices, systems or accounting internal control systems, and internal management controls which have been established by management; or

7. Indications of fraud, abuse, or illegal acts are identified for further investigation.

B. The Auditor may provide non-audit services that are not covered by Government Audit Standards, provided that the service does not impair the auditor's independence. Decisions to perform non-audit services will be based on two overarching principles:

1. Audit organizations should not provide non-audit services that involve performing management functions or make management decisions; and

2. Audit organizations should not audit their own work or provide nonaudit services in situations where the non-audit services are significant/material to the subject matter of audits.

V. Audit Plan

A. At the beginning of each fiscal year, the Auditor shall submit a proposed annual audit plan to the Audit Committee for review and input. The plan shall include the schools, offices, activities, functions, and programs proposed for audit during the year. Upon review of the plan, the Audit Committee will recommend an annual audit plan to the full Board for approval.

B. In consultation with the Audit Committee, the Auditor will select topics based on potential for cost savings and service improvements; level of public and school board interest; evidence of problems or wrongdoing; risk of loss or abuse; and availability of audit staff.

VI. Access to Employees, Records and Property

A. All District officers and employees of shall furnish the Auditor with requested information and unrestricted access to employees, information, and records within their custody or control regarding powers, duties, activities, organization, property, equipment, financial transactions, contracts, and methods of business required to conduct an audit or otherwise perform audit duties. Officers or employees who fail to provide access and/or information requested by the Auditor, may be subject to discipline up to and including termination.

B. All contracts with outside contractors and subcontractors shall provide for Auditor access to all financial and performance-related records, property, and equipment purchased in whole or in part with District funds.

C. The Auditor shall not publicly disclose any information received during an audit involving matters that are confidential, privileged, or are otherwise exempt from

disclosure under applicable state or federal law. Reporting in such cases may be limited to the Board.

VII. Views of Responsible Officials

A. A final draft of each audit report shall be delivered to the manager responsible for the audited program and the Superintendent for review and comment before it is released. The responsible manager must respond in writing specifying agreement with audit findings and/or recommendations or reasons for disagreement with findings and/or recommendations, plans for implementing solutions to issues identified, and a timetable to complete such activities. The auditor must receive the response within 15 working days. The Auditor may revise its report based on the substantive input of the responsible manager. The Auditor will report the responsible manager's response to the Auditor's findings, conclusions, and recommendations, as well as the responsible manager's planned corrective actions. If no response is received within the specific timeframe, the Auditor will note that fact in the audit report and will release the report. In the case of contracted audits, audits may be released without inclusion of a response.

VIII. Audit Reports

A. Each audit will result in a written report containing relevant background information, findings and recommendations and shall be delivered to the Audit Committee, Board, and the Superintendent. The report shall also be available for public examination, except as otherwise provided in this policy or prohibited by law.

IX. Report of Irregularities

If during an audit, the Auditor becomes aware of abuse or illegal acts or indications of such acts that could affect the District, the auditor shall report the irregularities to the Audit Committee and the Superintendent. If the Superintendent is believed to be a party to abuse or illegal acts, the Auditor shall report the acts directly to the Audit Committee chair.

X. Annual Report

A. The auditor shall submit an annual report to the Board within 90 days of the fiscal year end indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management.

XI. Audit Follow-up

A. Responsible managers should provide quarterly reports about the implementation of corrective action plans as specified in the plan. The Auditor may request periodic status reports from audited entities regarding actions taken to address reported deficiencies, audit recommendations, and completed action plans.

XII. Contract Auditors, Consultants, and Experts

A. Within budget limitations, the Auditor may obtain the services of Certified Public Accountants, qualified management consultants, or other professional experts as necessary to perform the Auditor's duties.

History: Adopted 6/71; amended 12/83; re-organizational rescission 9/9/02; re-adopted 6/13/05 BA 3330; amended 8/13/07; amended 12/11/2018

Board Policy 1.60.040-P

District Performance Auditing

I. Office of Performance Auditor

A. Portland Public Schools shall maintain an Office of Performance Auditor. The office shall be staffed by a Board-approved District Performance Auditor (Auditor), who shall be hired, evaluated, and may be removed by the Board, and such other employees or contractors as the Board provides budgetary funding.

B. The Office of Performance Auditor shall adhere to Generally Accepted Government Auditing Standards (GAGAS) in conducting its work and shall be considered independent as defined by those standards.

II. Audit Committee

A. The Audit Committee shall be comprised of five members appointed by the Board and all appointees shall be independent of the district's management and administrative service. The Audit Committee will be comprised of three members of the Board and two community members that ~~H~~have a general knowledge of the District and the audit process.

B. The two community members shall serve as voting members of the Audit Committee for two years and may be re-appointed at the end of their term.

C. The Board recognizes that community members bring specialized knowledge and expertise to the Audit Committee. Community members serving on the Audit Committee shall employ discretion, avoid conflicts of interest and their appearance, and exercise care in performing their duties. Community members appointed to the Audit Committee shall follow the ethics rules contained in ORS Section 244.

D. The Audit Committee welcomes up to two students to participate as ex officio members of the Audit Committee. The students may be appointed to the Audit Committee by the Student Representative to the Board and/or at the discretion of the Chair of the Audit Committee.

E. The Auditor and their staff shall report to the Audit Committee, and the Auditor shall be annually evaluated by the Board using the school district's evaluation instrument. The Auditor shall report to the Deputy Superintendent for Business & Operations (or comparable role) for administrative purposes such as leave approval, office space and supplies, paychecks, and reimbursements.

III. Assistants and Employees

A. The Office of Performance Audit shall be provided a separate budget (subject to available resources) sufficient to carry out the responsibilities and functions established in this policy.

B. Within budget limitations and consistent with District policies and procedures, the Auditor shall have the authority to ~~appoint~~, employ, and remove other employees of the Office of Performance Audit or contractors as deemed necessary for the efficient and effective administration of the duties of the office.

IV. Scope of Audits

A. The Auditor shall have authority to conduct performance or other audits of all schools, offices, activities, and programs – including contracted programs - to independently determine whether:

1. Activities and programs being implemented have been authorized by District policy, state law, or applicable federal law or regulations;

2. Activities or programs are conducted efficiently and effectively to accomplish the objective intended by District policy, state law, or applicable federal law or regulations;

3. Activities and programs are being conducted and funds expended in compliance with applicable laws;

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History: Adopted 6/71; amended 12/83; re-organizational rescission 9/9/02; re-adopted 6/13/05 BA 3330; amended 8/13/07; amended 12/11/2018

RESOLUTION No. 6816

Resolution to Adopt Revised Policy Student Enrollment and Transfers 4.10.051-P

RECITALS

A. On November 30 2023, the Board Policy Committee reviewed and considered the proposed revisions of the Student Enrollment and Transfers 4.10.051-P policy.

B. On December 12, 2023, the Board presented the first reading of the revised Student Enrollment and Transfers policy.

C. Pursuant to District policy, the public comment was open for at least 21 days, and there was public comment received during the comment period.

RESOLUTION

1. The Board hereby adopts the revised Student Enrollment and Transfers 4.10.051-P policy and instructs the Superintendent to amend any relevant administrative directives to conform to this adopted policy.

Portland Public School District 1st Reading

DATE OF FIRST READING: December 12, 2023

PUBLIC COMMENT FOR
Revision of
Policy 4.10.051-P:
Student Enrollment and Transfer Policy

The Portland Public School District is providing Notice of Proposed Revised Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

Open for Comment until at least: January 02, 2024

Summary: **Revision of the Student Enrollment and Transfer Policy 4.10.051-P**

1st Reading by: **Director Julia Brim-Edwards**
Portland Public School Board, Policy Committee Chair

Recommended for a 1st Reading by:
Portland Public Schools Board of Education
Policy Committee

Draft Policy Web Site: http://www.pps.net/draftpolicies

Contact: **Rosanne Powell,** Senior Board Manager
Address: P.O. Box 3107, Portland, OR 97208-3107
Telephone: 503-916-3741
E-mail: schoolboard@pps.net

Draft Policy Comment Form: https://forms.gle/VqYbmVA36qqADj6n6

Included in Packet	Page
Staff Report	03
Redlined Policy with Proposed Changes	06

Portland Public Schools
501 N Dixon St. / Portland, OR 97217

MEMO

Date: November 17, 2023

To: School Board Policy Committee

From: Don Wolff, Chief Technology Officer
Judy Brennan, Director, Enrollment and Transfer

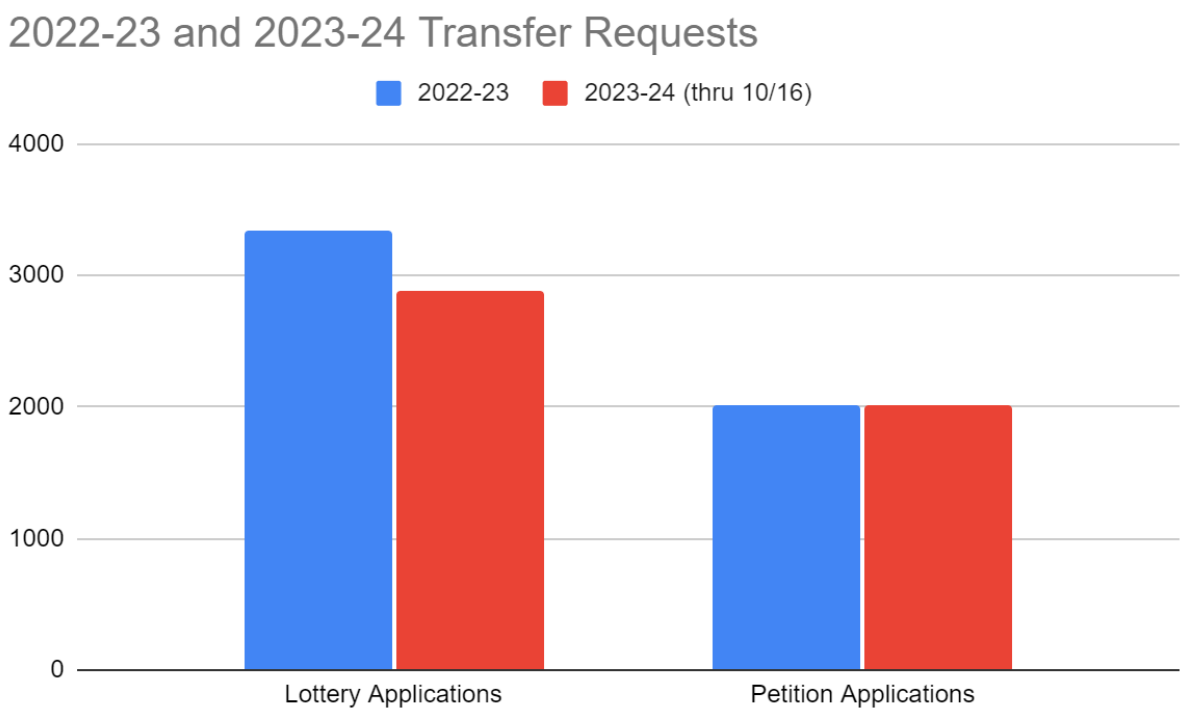
Subject: Requested Revisions to Policy 4.10.051-P

This memo outlines minor policy language changes to the Student Enrollment and Transfers policy, 4.10.051-P. The changes are designed to leverage new technical ability due to a change in software vendors and enable several transfer system improvements aligned with recommendations submitted to the PPS Audit Committee in April 2023. In order to impact the 2024-25 middle and high school transfer process, Board approval is needed by mid-January 2024. The proposed minor adjustments do not limit the Board's ability to propose additional, substantive policy changes for implementation in a later school year.

BACKGROUND

School choice has existed in PPS for more than a century. Approximately 30% of PPS students attend schools other than their assigned neighborhood schools, many enrolled in specialized programs such as Benson Polytechnic High School, DaVinci Arts Middle School or Dual Language Immersion (DLI), which is offered at 27 schools and in five languages. Most students enter such schools and programs through an annual lottery, and PPS uses software to determine the results using factors described in Student Enrollment and Transfers policy.

The district also allows hardship transfers when there is evidence of an extraordinary situation that poses imminent health, safety or serious educational concerns for the student. The chart below shows the volume of hardship petitions and lottery applications received for the past two school years. While lottery requests are lower, hardship petition requests have returned to pre-pandemic levels.



General transfer procedures are described in policy, 4.10.051-P, while more detailed transfer steps are explained in the Student Transfer Administrative Directive, 4.10.054-AD. The Board Policy Committee has discussed the policy in recent years, but major changes have not been made since 2014, when neighborhood-based schools and programs were moved out of the annual lottery and into a petition-only process, and an income eligibility preference for low-income students was added to most lottery-based schools and programs.

The hardship petition process was the subject of a 2022 internal audit that resulted in five recommendations, including strengthening the "internal control structure to ensure Hardship Petition Transfer requests are approved or denied in alignment with the school district's policy and administrative directive." The internal auditor noted that some hardship petition transfers had been approved because space remained in the requested focus option or dual language immersion program, which was not the same as evidence of a hardship.

PROPOSED POLICY CHANGES AND RATIONALE

In July 2023, PPS shifted to a new Synergy transfer software which will allow parents easier access to transfer applications and streamline enrollment changes due to lottery and petition decisions. Testing of new lottery functionality revealed an unexpected opportunity to shift all applications for lottery-based schools and programs to a single application structure, preserving the hardship petition exclusively for transfer to neighborhood-based schools and programs. The change will help fulfill the internal audit implementation plan, ensure consistency in implementation of Board-approved factors such as income eligibility and regional preferences for Benson HS, while also streamlining waitlist management and improving transparency.

After the lottery application period closes, the "open enrollment" application will use the exact same priorities and set-up as the lottery application, with the addition of one field for families to describe any special circumstances that may have prevented them from applying during the lottery cycle or indicate an exceptional need for placement at the requested school. Special circumstances will be reviewed by ETC staff, and input may be gathered from school

administrators to determine whether the student qualifies for the additional priority. The special circumstances priority falls below Board-approved preferences (co-enrolled sibling, income eligibility and regional preference), but can result in a student having a higher placement on a waiting list than applicants without the priority. Lottery and open enrollment applications will be viewable by school staff on a single waitlist, with priority eligibility clearly displayed for improved transparency.

The proposed changes will shift approximately 700 lottery-based school and program applications from the hardship petition into the lottery/open enrollment application. The technical set-up is underway, but policy language needs to be aligned, as well. There are three lines in 4.10.051-P, that link applications to focus options with the petition transfer. If those lines can be revised by mid-January 2024, the new technical system can be used for all 2024-25 transfer results.

There may be other areas of the Student Enrollment and Transfers policy that could be improved, as well. However, due to upcoming transfer cycle, we request that additional modifications be considered at a later date.

FISCAL IMPACT

There is no identified fiscal impact associated with this change. The number of transfers into lottery-based schools is not expected to change because of the new policy language and process. The expected impact is improved efficiency and transparency, particularly for school-based staff and families.

COMMUNITY ENGAGEMENT

The software and workflow changes have been vetted with lottery-based school administrators and counselors. They provided positive feedback about the potential improvements.

NEXT STEPS

2024-25 middle and high school transfer applications are open through December 22, 2023. The proposed policy language changes are needed by mid-January, in order to use new software functionality to process all transfers into lottery-based schools and programs.

ATTACHMENTS

A. Student Enrollment and Transfers Policy
B. Student Enrollment and Transfers Policy - redlined
C. List of Lottery-Based Schools and Programs

4.10.051-P Student Enrollment and Transfers

I. Policy Purpose

The purpose of this policy is to provide equal access to educational options for all resident students through an open, fair and accessible process and to promote equity and diversity in student transfers and admissions through alignment with the Educational Options Policy (6.10.022-P). The policy furthers the Student Achievement Policy (6.10.010-P), the district's Racial Educational Equity Policy (2.10.010-P), and other district policies and state and federal requirements.

II. General Policy Statement

All Portland Public School students have the right to attend their neighborhood school, except in extraordinary circumstances as described in Section IV. All Portland Public School students have the right to request a transfer to attend any grade- appropriate school or program in the district. The Board is committed to families and students having equitable access to a broad portfolio of educational options. The district has the responsibility, through its centralized coordination of information, outreach, and support services, to provide families and students with information and advice that will enable families and students to make informed decisions about their choice of educational options.

III. Definitions

(1) School and student terms

(a) Neighborhood school. A school serving a designated attendance area and as defined in 6.10.022-P .

(b) Focus option. A separate school or program structured around a unique curriculum or particular theme and as defined in 6.10.022-P.

(c) Transfer school. The school to which a student has transferred.

(d) Transfer student. A district student attending a school other than his/her neighborhood school.

(e) Resident student. A student who is a resident of the Portland Public School district.

(f) Nonresident. A student from another district attending a PPS district school on inter-district transfer.

(g) Sibling. Children with the same parent or supervising adult living together at the same address.

(2) Admission and transfer terms

(a) Transfer: A formal request by a district family for a student to attend a school other than their neighborhood school or to return to their neighborhood school. There are two types of transfers:

(A) Lottery transfers: a request to transfer to a focus option. Lottery transfers are based on space availability and preferences.

(B) Petition transfers: a request to transfer to a different neighborhood school, ~~or to a focus option after the lottery transfer process has closed~~.

(b) Enrollment: The process for accounting for students in schools.

(c) Feeder pattern: A designated path for students to advance from one school grade grouping to another.

IV. Policy Scope

This policy does not apply to nonresident students, alternative education placements, pre-kindergarten admissions, or charter school admissions. In order to meet the educational needs of students with disabilities, those students may be assigned to specialized program services outside of their neighborhood school. The district also shall be in compliance with all federal and state laws and regulations regarding student enrollment and transfers.

V. Admission

(1) By area of residence. Students have a right to attend the neighborhood school where they reside with their parent or supervising adult, except as provided in Section IV. This right extends to students returning to their neighborhood school with a petition transfer request and to families with students new to the district.

(2) By transfer. All students have the right to request a transfer to a school or program other than their own assigned neighborhood school.

(a) Transfers to a different neighborhood school: requests to transfer to a different neighborhood school will be considered through the petition process. Petitions will be considered on an individual basis based on a standard set of criteria, taking into consideration available space at the requested school.

(b) Transfers to a focus option: requests to transfer to a focus option shall be considered through a lottery process and an open enrollment ~~petition~~ process after the lottery transfer process has closed. A transfer request to a focus option is granted based on an on-time transfer request, space availability, admission criteria if any and preferences.

(3) Admission criteria for focus option schools or programs

(a) Admission criteria to any District school or program shall be the same for neighborhood and transfer students.

(b) Admission criteria shall be clear, objective and directly related to the educational goals of the focus option and the district. A school or program may require the family and student to indicate an understanding of program expectations prior to enrollment.

(c) Middle and high school focus options may have admission criteria as specified in the operations plan required in 6.10.022-P.

(d) Elementary focus options shall have no admission criteria except for language criteria for dual language immersion and late entry for language immersion options.

VI. Enrollment

(1) Students are expected and encouraged to remain in the same program or school in which they are enrolled for the school year, except in cases of extraordinary circumstances. Schools shall collaborate with families, students and staff to meet the needs of students for that school year.

(2) Students enrolled in a transfer school do not have to reapply until completion of all grades in that school.

(3) Upon completion of a school grade grouping, students are enrolled in their neighborhood feeder pattern school, except as

provided in (4) and (5) below. Students who want to attend a school other than their neighborhood school shall follow the admission procedures in Section V.

(4) Students admitted to a focus option that continues from one school grade grouping to another do not need to reapply for admission during these transitions except as provided in the focus option plan of operations.

(5) Students enrolled in a curriculum that includes different school grade groupings may enroll in the school with the higher grade grouping after completion of the previous grade grouping.

VII. Preferences

(1) For focus option schools and programs, if lottery transfer requests exceed available spaces and the student meets admission criteria, if any, the following preferences determine priority placement in the following order:

(a) Students continuing from their previous school grade grouping if required by the focus option plan of operations.

(b) Students required by state or federal law or other district policy to receive priority.

(c) A student whose sibling is enrolled at the same time in the student's first choice elementary, middle school or high school or program that includes other school grade groupings.

(d) Students who qualify to receive free and reduced-price meals, or qualify for enrollment in a Head Start Program, in a proportion corresponding to a district-wide average. The preference will occur at schools where the rate of enrolled students who qualify for free and reduced-price meals is lower than the district-wide average.

(e) Resident students who have submitted an on-time lottery transfer request.

(2) If, after the lottery, staff identifies that there were applicants eligible for free and reduced meals, up to the district average, not approved due to the number of sibling applicants, the Board will review the order of preferences.

(3) A focus option may make special provision in its Board-approved plan of operations for admitting students from particular attendance areas.

VIII. Student Transfer Process

(1) Student transfer decisions shall be facilitated by the administrator assigned to coordinate student transfers.

(2) The superintendent shall establish protocols and procedures, including deadlines and an appeals process, for lottery and petition transfers and for inter district transfers.

(3) The superintendent shall establish a process for determining if space is available in a particular school or program.

(4) For focus options, the superintendent shall establish a process for admitting students by a centrally administered lottery for students who submit an on-time lottery transfer request and meet admission criteria, if any, and there are more applicants than available space.

(5) For transfers to a different neighborhood school, ~~or for transfers to a focus option after the lottery has closed,~~ the petition transfer process will provide review of applications on an individualized basis. The superintendent shall establish clear, flexible, culturally relevant protocols and standards to the petition transfer process. In addition, the superintendent shall establish a process to collect and monitor data from petition transfer requests to ensure equitable processes and decision-making and to identify areas of improvement in neighborhood schools.

(6) To support overall district goals and equal educational opportunities for all students, the transfer process also shall include factors as needed to promote equity and diversity in student admissions. The factors shall be based on the district's Racial Educational Equity Policy (2.10.010-P) and the Student Achievement Policy (6.10.010-P). The factors and process for how they shall be weighted in the lottery process shall be approved by the Board.

(7) The wait list established for a focus option school or program shall be randomly determined by the lottery, incorporating preferences and weighting as provided in this policy.

IX. Non-Discrimination

(1) All schools and programs offered by the district shall be open to all students without discrimination based on any factors provided for by state and federal laws and regulations and as provided in 1.80.020-P.

(2)

Legal References:

History: Approved 5/12/03; Amended 1/24/2005; 1/2015, Amd. 11/23

RESOLUTION No. 6817

Resolution to Adopt New Policy Religious and Cultural Observances x.xx.xxx-P

RECITALS

A. On September 18, October 11, and November 30 2023, the Board Policy Committee reviewed and considered the proposed new Religious and Cultural Observances x.xx.xxx-P policy.

B. On December 12, 2023, the Board presented the first reading of the new Religious and Cultural Observances policy.

C. Pursuant to District policy, the public comment was open for at least 21 days, and there was no public comment received during the comment period.

RESOLUTION

1. The Board hereby adopts the new Religious and Cultural Observances x.xx.xxx-P policy and instructs the Superintendent to amend any relevant administrative directives to conform to this adopted policy.

Portland Public School District 1st Reading

DATE OF FIRST READING: December 12, 2023

PUBLIC COMMENT FOR

Policy x.xx.xxx-P:
Religious and Cultural Observances

The Portland Public School District is providing Notice of Proposed Revised Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

Open for Comment until at least: January 02, 2024

Summary: **New Religious and Cultural Observances Policy x.xx.xxx-P**

1st Reading by: **Director Julia Brim-Edwards**
Portland Public School Board, Policy Committee Chair

Recommended for a 1st Reading by:
Portland Public Schools Board of Education
Policy Committee

Draft Policy Web Site: http://www.pps.net/draftpolicies

Contact: **Rosanne Powell,** Senior Board Manager
Address: P.O. Box 3107, Portland, OR 97208-3107
Telephone: 503-916-3741
E-mail: schoolboard@pps.net

Draft Policy Comment Form: https://forms.gle/VqYbmVA36qqADj6n6

Included in Packet	Page
Staff Report	03
Draft Policy	05

PORTLAND PUBLIC SCHOOLS

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2000
Mailing Address: P. O. Box 3107 / 97208-3107

STAFF REPORT

Date: November 30, 2023

To: School Board

From: Mary Kane, Senior Legal Counsel

Subject: Religious and Cultural Observances

BACKGROUND

The District has long wrestled with the need to provide space to allow students and staff to exercise their religious and cultural beliefs while balancing its constitutional duty to preserve schools from religious entanglement. In the last few years, the District has developed a school calendar that includes significant dates for building staff to be aware of when scheduling important school events such as parent teacher conferences. The School Board's policy committee continued this exploration through the development of a policy to provide clearer guidance to school staff on expectations for accommodations for students. The policy committee discussed this policy on September 18, 2023, October 11, 2023, and finally on November 30, 2023 where they determined to send it to the full Board for consideration.

RELATED POLICIES/BEST PRACTICES

It is best practice to develop policies that are inclusive and welcoming to students and families.

FISCAL IMPACT

There is no fiscal impact.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

Students and families have provided input in various ways, including through public comment at Board meetings and in the Board's policy committee meetings.

TIMELINE FOR IMPLEMENTATION / EVALUATION

The policy can go into effect immediately with communications to building administrators and staff.

BOARD OPTIONS WITH ANALYSIS

The Board can adopt this religious and Cultural Observances Policy which codifies expectations for school staff to allow for student accommodations to enable observance of religious and cultural practices or not adopt this policy and allow for the continued informal practice of notice provided to buildings through use of the District calendar.

DRAFT POLICY x.xx.xxx-P

Religious and Cultural Observances

We respect and protect the constitutional rights of our students, families, and employees to practice and observe their religion or to practice no religion at all. We also respect and protect our students, families, and employees' rich and diverse cultural observances and practices. At all times, we seek to balance those important individual rights with the constitutional requirement that PPS, as a public school district, may not favor or promote a particular religion over another. And at all times, we encourage all students, families, and staff to show respect, tolerance, and curiosity about religious and cultural practices that differ from their own. These differences and our acceptance of them make our school community an inclusive and welcoming community in which all students can authentically thrive.

Excused Absences & Other Accommodations

Students and families may request accommodations to enable them to observe their religious and cultural practices. Those accommodations may include excused absences for religious instruction or holiday observances. Requests for absences or other accommodations should be in writing from a student's parent/guardian directed to a teacher and/or principal at the student's school.

Classes. Students may be excused from classes for their individual religious or cultural practices without penalty. Students who have missed an assignment or assessment must be given a reasonable opportunity to make up that test or assessment. Make-up opportunities will not be required of a student on the school day immediately after a student is absent from school to observe a religious or cultural holiday.

Co-Curricular and Extracurricular activities. Students may also be excused from co-curricular and extracurricular activities for their individual religious or cultural practices without penalty.

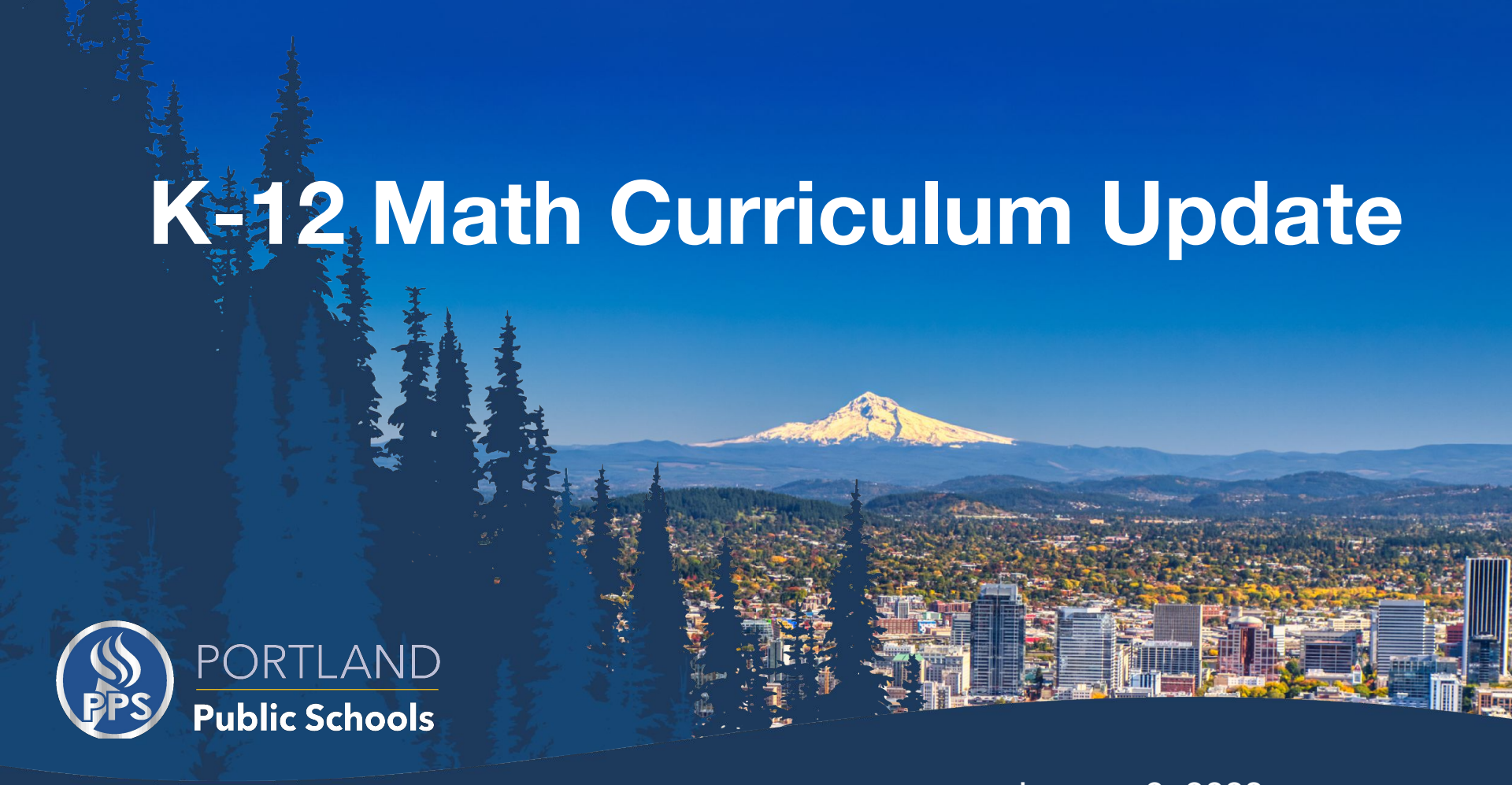
Identification of Major Religious Holidays and Cultural Observances

As part of the annual school calendar creation and adoption process, the Superintendent shall identify major religious and cultural holidays in our community using legally acceptable methods to do so. The District and each of its schools should avoid scheduling grade-, school- or district-wide events (*e.g.*, Back-to-School nights, all-school assemblies, parent-teacher conferences, School Board meetings) on those dates. Such events can be scheduled on major religious holidays only if such scheduling is reasonably necessary to carry out the proper functioning of a school program, course of study, or to avoid an unreasonable burden on other students; or if such scheduling is outside the control of District employees. Staff will inform students and parents of plans as far in advance as possible so that conflicts with religious or cultural observances can be avoided if possible and otherwise accommodated if not.

Non-District-Sponsored Events

When school or District events are scheduled and controlled by organizations other than the District (*e.g.*, OSAA, Outdoor School, national testing organizations), the District shall advocate with those organizations that such events are not held on major religious or cultural holidays.

K-12 Math Curriculum Update



PORTLAND
Public Schools

January 9, 2023

Presentation Overview

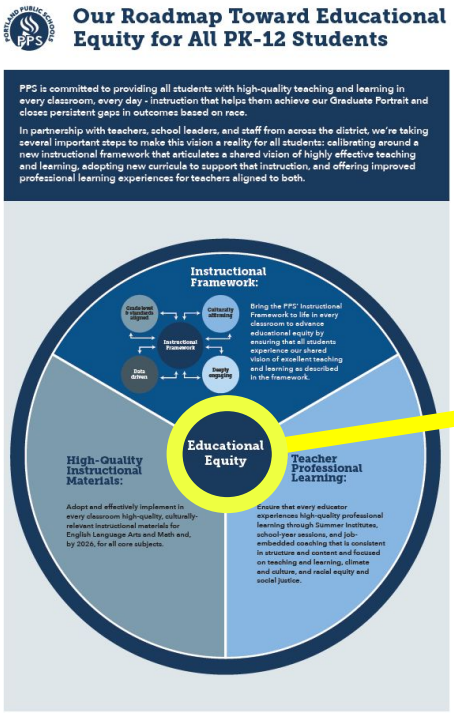
Agenda:

- Our Why
- Math Curriculum Implementation Monitoring and Follow-Up
- K-5, 6-8, 9-12 Math Curriculum Update
- Next Steps

Presenters:

- Dr. Jon Franco, Chief of Schools
- Kristina Howard, Interim Chief Academic Officer
- Dr. Emily Glasgow, Senior Director PreK-5 Core Academics
- Joanna Tobin, Senior Director Middle Grades Core Academics
- Dr. Filip Hristic, Senior Director High School Core Academics

Our Why: Educational Equity



Our Why: Educational Equity

Raising the achievement of all students while (1) eliminating the gaps between the lowest and highest performing students and (2) eliminating the racial predictability and disproportionality of which student groups occupy the highest and lowest achievement categories.

How We Monitor and Follow Up on Math Curriculum Implementation

- School Continuous Improvement Plans provide a roadmap to increased student achievement. All schools have updated plans with implementation of new curriculum as a high priority. Written feedback given by SDS's on all SCIPs.
- Principals must present progress on SCIPs in academic conferences three times per year to their cohort, their SDS and senior leadership.
- Principals meet with senior directors once per week as a group in cohort and individually at least once every two weeks depending on school performance. Consistent visit template used highlighting instructional priorities and observing classrooms together.
- By the end of the 2023-24 school year, all teachers will have at least 3-5 informal observations (classroom walkthrough) where they are given a written praise, probing question, and action step within 24 hours of the observation. Consistent informal classroom observation template is utilized highlighting observations on instructional priorities.
- Quarterly reviews with SDS, instructional coach and ILT to discuss and provide feedback on progress on instructional priorities.
- Instructional Rounds problem of practice (GLSA and curriculum adoption)…last year 78 schools were visited. Secondary school themes.

K-5 Mathematics

i-Ready Classroom Mathematics

i-Ready Mathematics

- Adopted in Fall 2021
- 75 minutes daily core math instruction
- *Try-Discuss- Connect* Routine
- Personalized practice on *MyPath*

Implementation Data

96% (883/923) K-5 classroom educators trained in 2021 *(continued opportunities since for new/continuing educators)*

81% of classrooms were using i-Ready (Learning Walks 22-23)

83% teachers report they have fully transitioned to i-Ready (Survey, 22-23)

Student Outcome Data

Overall: *PPS 3rd-5th Math OSAS scores rose from 43% proficient in 2022 to 46% proficient in 2023.*

Spotlight on Sitton ES:
(%=proficient on Math OSAS)

	2022	2023
All	28%	41%
Black	12%	26%
Latino	17%	32%
Native	25%	50%

6-8 Mathematics

MSM
MidSchoolMath

MidSchoolMath

- Second year of implementation
- Emphasizes conceptual understanding
- Focuses on real world application and growth mindset

Implementation Data

100% of classroom teachers (115/115) were trained in the summer of 2022 *(continued opportunities since for new/continuing educators)*

91% of middle school teachers are using the adopted curriculum regularly*

87.5% of teachers are on pace or mostly on pace*

**reported by a survey provided to principals and they use classroom observations and PLCs to determine implementation rates*

Student Outcome Data

Astor K-8		
2021-2022	2022-2023	% Change
37.4% Meets or Exceeds	47.1% Meets or Exceeds	9.70%
Beaumont Middle School		
2021-2022	2022-2023	% Change
44.8% Meets or Exceeds	55.7% Meets or Exceeds	10.90%
Gray Middle School		
2021-2022	2022-2023	% Change
46.9% Meets or Exceeds	55.8% Meets or Exceeds	8.90%
Sellwood Middle School		
2021-2022	2022-2023	% Change
49% Meets or Exceeds	58.5% Meets or Exceeds	9.50%

(%=proficient on Math OSAS)

	2022	2023
All	**39%**	**43%**
Black	**7%**	**7%**
Latino	**17%**	**20%**
Native	**14%**	**12%**

9-12 Mathematics

Illustrative Mathematics

Illustrative Mathematics

- Second year of implementation
- Algebra 1-2, Geometry, and Advanced Algebra 3-4.
- Builds understanding, procedural fluency, and application.

Implementation Data

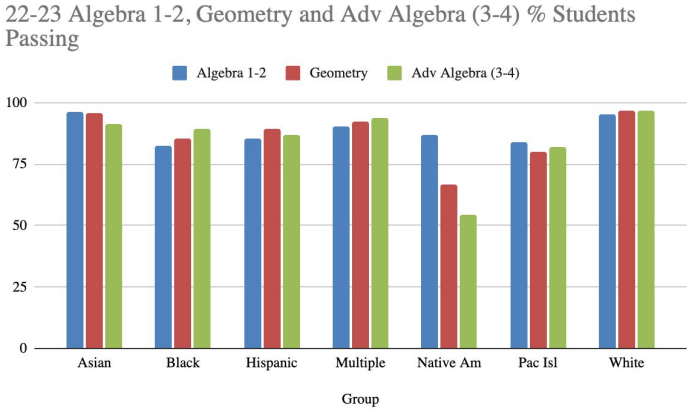
96% (122/127) of teachers trained in the summer of 2022 *(continued opportunities since for new/continuing educators)*

80% of high school teachers are using the adopted curriculum regularly*

83% of teachers are on pace or mostly on pace*

**reported by a survey provided to principals and they use classroom observations and PLCs to determine implementation rates*

Student Outcome Data



- 2,400 students in advanced math courses

Next Steps: Winter and Spring 2024

- Winter Curriculum Implementation walks across all schools focusing on observing the fidelity of implementation
- Curriculum based assessment monitoring and planning
- School based professional learning supporting Curriculum Implementation
- Learning Walks with Central Office leaders in January and April
- Instructional Rounds across all schools
- 6-8 Math Sequencing and Alignment

PORTLAND PUBLIC SCHOOLS

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2000
Mailing Address: P. O. Box 3107 / 97208-3107

STAFF REPORT

To: Portland Public Schools Board of Directors

From: Leslie O'Dell, Sr. Director of Funded Programs

CC: Superintendent Guadalupe Guerrero
Dr. Cheryl Proctor, Deputy Superintendent Instruction & School Communities
Myong Leigh, Interim Deputy Superintendent, Business & Operations
Dr. Renard Adams, Chief of Research, Assessment & Accountability.
Jonathan Garcia, Chief of Staff
Kristina Howard, Interim Chief Academic Officer
Dr. Jon Franco, Chief of Schools
Jey Buno, Chief of Student Support Services

Date: December 27, 2023

Subject: **Grant Agreements for ODE's Aligning for Student Success: Integrated Guidance for Six ODE Initiatives (Integrated Grants)**

The purpose of this memo is to present ODE's Integrated Grant Agreements for Board approval. Once approved, ODE will begin distributing the $57.5 million in grant funds to PPS for the 2023-2024 school year. The grant funding is included in the Special Revenue fund.

Background Information for the PPS Integrated Grant Plan and Priorities
In March 2023, the Board approved the PPS Integrated Grant Plan.

The grant investments deepen and expand our work to disrupt inequities, foster inclusive partnerships and collaboration, and provide inclusive and differentiated learning opportunities. Our plan aligns investments, activities, and specific strategies from our Strategic Plan. Key priorities for the plan were identified in our needs assessment – priorities also expressed by our community:

The plan includes investments in focal student groups and schools based on need, emphasizing improving culturally responsive, site-based learning experiences.

- Improved classroom experience
- Stronger multi-tiered systems of support, including wrap-around social, emotional, mental, and behavioral health services
- Racial equity and social justice (RESJ) partnerships with local nonprofit organizations to support Students of Color

- Restorative justice advocates, who build and strengthen community, and repair harm, as part of our work to reorient discipline
- Professional learning to complement and deepen our bond and general fund investments in new core curricula and instructional framework
- Personalized learning, with differentiated and flexible experiences that increase access to arts, interest-based electives, self-directed learning, and engagement
- Career-related programming that emphasizes real-world, hands-on learning
- Data-driven continuous improvement

Please find additional details on the PPS Integrated Grant Plan here.

Key Information & Updates
The Integrated Grant Agreements align with the PPS Integrated Grant Plan that the Board approved in March 2023 and also include two key updates to the Plan.

- The final allocation for PPS is $57.5M, which represents a $5.6M increase from the preliminary allocation of $51.9M. (Note: while the strategies and outcome for the plan will remain the same, the level of grant investments in specific activities will continue to shift in alignment with the district's budget amendment.)

Grant Program	Preliminary Allocation	Change in Allocation	Final Allocation
High School Success (HSS)	$13,397,923	-$1,133,891	$12,264,032
Student Investment Account (SIA)	$36,431,620	$6,621,083	$43,052,703
Continuous Improvement Planning (CIP)	$1,507,230	$0	$1,507,230
Career Technical Education - Perkins V (CTE)	$435,071	$95,960	$531,031
Every Day Matters (EDM)*	$0	$0	$0
Early Indicators & Intervention Systems (EIIS)	$130,764	-$1,079	$129,685
Total Allocation	**$51,902,608**	**$5,582,073**	**$57,484,681**

* EDM is unfunded and requirements are embedded in the five other programs.

- The Integrated Grant Agreements include Longitudinal Performance Growth Targets (LPGTs).

Longitudinal Performance Growth Targets & ODE's New Statewide Evaluation Framework

As mentioned in the Staff Memo for the Student Investment Account (SIA) annual report, the statewide evaluation and reporting requirements for SIA are changing significantly under ODE's Integrated Grant Guidance.

ODE required districts to co-develop Longitudinal Performance Growth Targets (LPGTs) with them. The LPGTs are a statutory requirement based on the "5 common metrics", which are:
- Third-grade reading proficiency rates
- Ninth-grade on-track rates
- Regular attendance rates
- Four-year or on-time graduation rates
- Five-year completion rates

The specific LPGTs are outlined in the presentation accompanying this memo. While they have similarities to the PPS Board Goals, there are distinct differences.

ODE Required LPGTs	PPS Board Goals
● Required by the Student Success Act passed in 2019; implemented for 2023-2024 ● Focuses efforts on a super-group of students called the "combined focal group." ● Part of a statewide standardized evaluation framework ● Co-developed with ODE	● Rigorous targets set with Board direction ● Focus efforts for success on student racial groups most in need of academic acceleration to close predictable and persistent gaps in student outcomes ● Aligned with our Strategic Plan

ODE's Integrated Grant Agreements

ODE has the following approval requirements for the SIA Grant Agreements:
- Posted on the PPS website
- Presented at an open meeting with opportunity for public comment
- Approved by the Board

Once completed, ODE will begin distributing the grant funds.

Please find the PPS SIA Grant Agreement for your approval:
- Portland Public Schools

Included in the district agreement are the signed District Charter Program Agreements for the following schools.
- District-sponsored Charter Schools
  - Emerson School
  - Le Monde French Immersion Public Charter School
  - Portland Arthur Academy: Integrated Plan & Budget
  - Portland Village School
- State-sponsored Charter Schools
  - Cottonwood School of Civics and Science
  - The Ivy School

Thank you for your support as we navigate the changes and complexities of ODE's Integrated Grant Guidance requirements while also ensuring sound investments for our students.

ODE Integrated Grant Guidance Plan

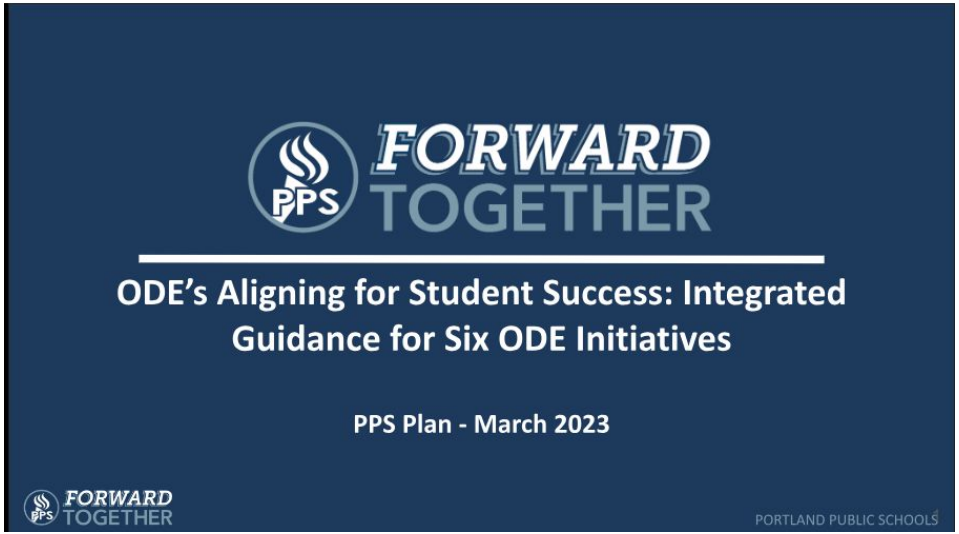
January 9, 2024

Presentation Content

- Reground in scope and purpose of ODE's Integrated Guidance and Grants
- Allocation and Investment Updates
- ODE's Evaluation and Progress Monitoring Requirements
- Grant Agreements
- Questions and Comments

Allocation & Investment Updates

PPS Integrated Grant Plan



https://www.pps.net/Page/20662

- PPS Plan approved by the Board in March 2023
- Part of the Special Revenue Funds Restricted dollars from grants
  High School Success (M98)
  Student Investment Account (SIA)
  Career Technical Education (CTE)
  Early Indicator & Intervention System (EIIS)
- ***ODE issued the Grant Agreements in Nov 2023. Once approved by the Board, ODE will begin distributing the $57.5M.***

2023-2024 ODE Allocation Adjustments by Program

Program	Preliminary Allocation	Change in Allocation	Final Allocation
High School Success (HSS)	$13,397,923	-$1,133,891	$12,264,032
Student Investment Account (SIA)	$36,431,620	$6,621,083	$43,052,703
Continuous Improvement Planning (CIP)	$1,507,230	$0	$1,507,230
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Total Allocation	**$51,902,608**	**$5,582,073**	**$57,484,681**

* EDM is unfunded and requirements are embedded in the five other programs.

PPS Integrated Plan Investment Highlights

Student Investment Account

- Instructional coaches K-12
- Improve class size across K-12 schools
- Improve arts education pathway
- Kindergarten education assistants
- Mental & behavioral health, substance abuse
- School counselors
- School-based social workers
- School-based restorative justice support
- Culturally-specific community partnerships
- Allocation to CBO **and** charter schools

CSI/TSI Activity Budget

- Educator prof. development at CSI/TSI schools

High School Success (Measure 98)

- High school college coordinators
- Student attendance coaches
- Student success team (SST) leads and instructional coaches
- SST Release time
- CTE teachers and other staff
- 8th grade transition & 9th grade success
- Expand college and career awareness, exploration and preparation
- AP coursework supports for students of color

Since 2017-18, CTE enrollment at PPS has doubled (5,000 to over 10,000 students)!

ODE Evaluation & Progress Monitoring Requirements

ODE Metrics for Statewide Evaluation Framework

Longitudinal Performance Growth Targets (LPGTs)

- Data provided to PPS by ODE for longitudinal analysis
- Guidance established by ODE for the Student Success Act requirement
- LPGTs co-developed by PPS and ODE

"5 Common Metrics"

- 3rd grade reading proficiency
- 9th grade on-track rates
- Regular attendance rates
- 4 year or on-time graduation
- 5 year completion rates

ODE Requirements vs PPS Board Goals

ODE Required Longitudinal Performance Growth Targets (LPGTs)

- Required by the Student Success Act passed in 2019, implemented for 2023-2024, Co-developed with ODE
- Focuses efforts on a super-group of students (“combined focal”)
- Part of a statewide standardized evaluation framework

PPS Board Goals For Our Students

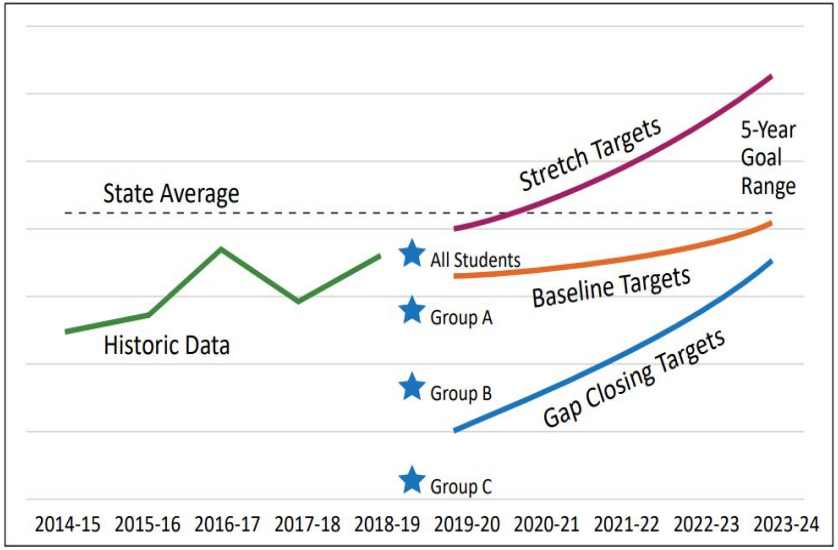
- Rigorous targets set with Board direction
- Focus efforts for success on student racial groups most in need of academic acceleration to close predictable and persistent gaps in student outcomes
- Aligned to our Strategic Plan

ODE Requirements: Longitudinal Performance Growth Targets

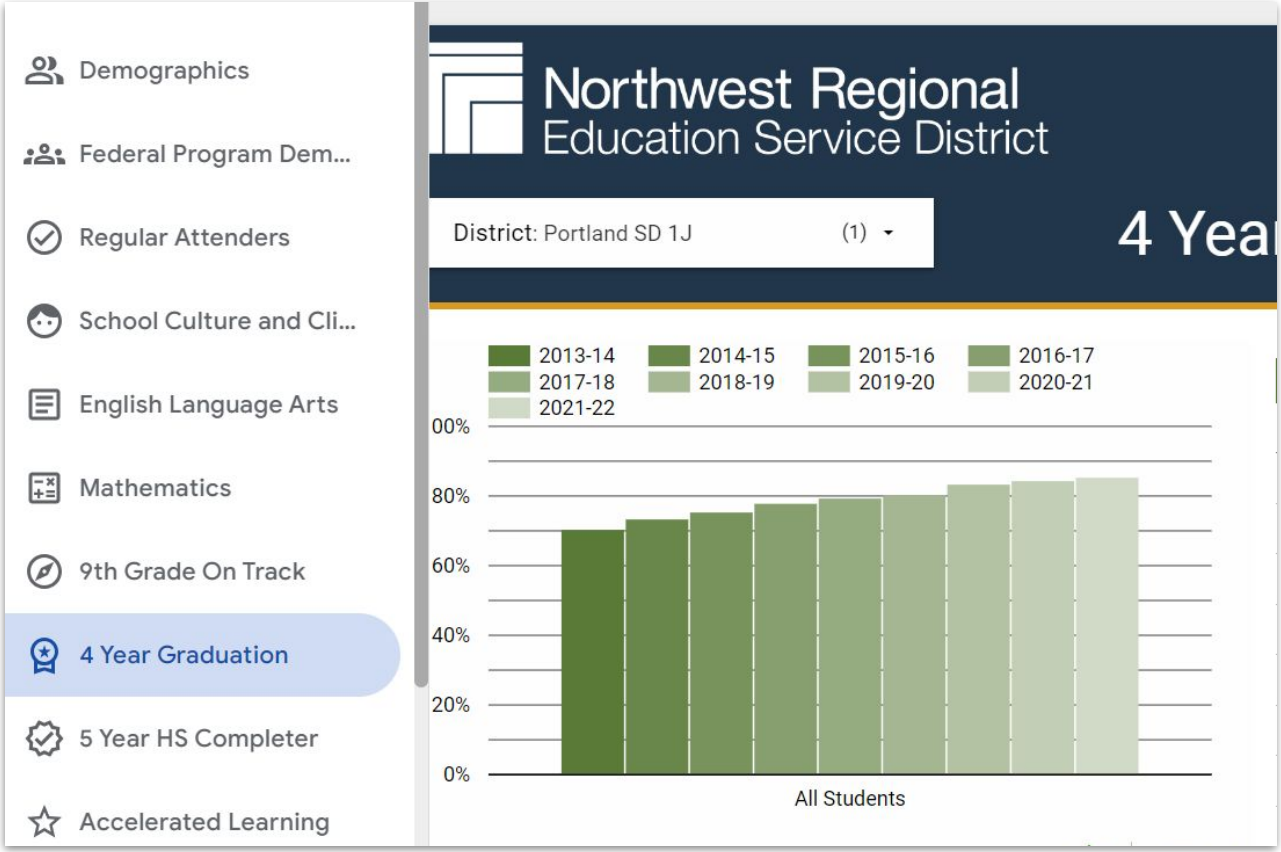
5 Year Targets

- Baseline – the minimum level of realistic growth
- Stretch – more ambitious, still realistic
- Gap Closing – reduction of academic disparities for the "combined focal student group"

Visual Example



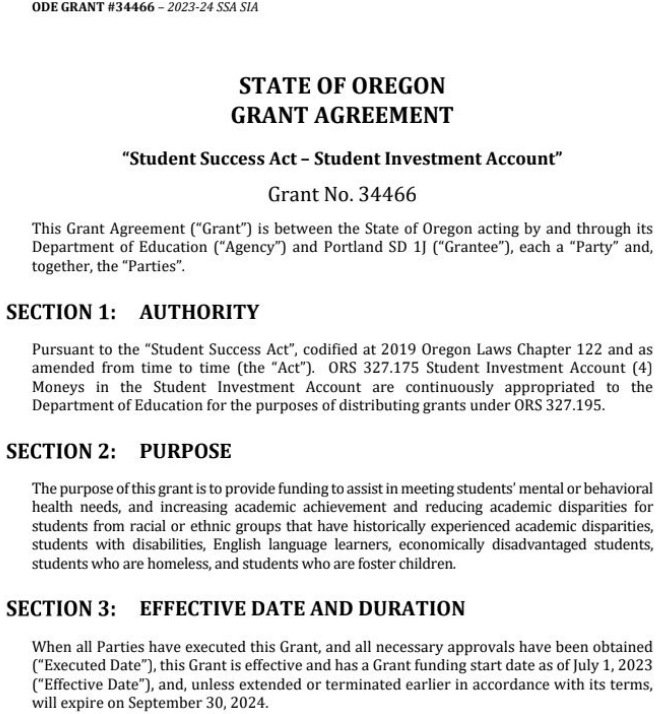
ODE Dashboard: Includes the 5 Common Metrics



Link to: Oregon Data Dashboard - Portland

Grant Agreements

PPS SIA Grant Agreement



ODE GRANT #34466 – *2023-24 SSA SIA*

STATE OF OREGON
GRANT AGREEMENT

"Student Success Act – Student Investment Account"

Grant No. 34466

This Grant Agreement ("Grant") is between the State of Oregon acting by and through its Department of Education ("Agency") and Portland SD 1J ("Grantee"), each a "Party" and, together, the "Parties".

SECTION 1: AUTHORITY

Pursuant to the "Student Success Act", codified at 2019 Oregon Laws Chapter 122 and as amended from time to time (the "Act"). ORS 327.175 Student Investment Account (4) Moneys in the Student Investment Account are continuously appropriated to the Department of Education for the purposes of distributing grants under ORS 327.195.

SECTION 2: PURPOSE

The purpose of this grant is to provide funding to assist in meeting students' mental or behavioral health needs, and increasing academic achievement and reducing academic disparities for students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged students, students who are homeless, and students who are foster children.

SECTION 3: EFFECTIVE DATE AND DURATION

When all Parties have executed this Grant, and all necessary approvals have been obtained ("Executed Date"), this Grant is effective and has a Grant funding start date as of July 1, 2023 ("Effective Date"), and, unless extended or terminated earlier in accordance with its terms, will expire on September 30, 2024.

ODE SIA Grant Agreement Approval Requirements

- ✓ Posted on the PPS website
- ✓ Presented at an open meeting with opportunity for public comment
- ✓ Approved by the Board

Thank you.

STATE OF OREGON
GRANT AGREEMENT

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SECTION 4: GRANT MANAGERS

4.1 Agency's Grant Manager is:

Cassie Medina
Office of Education Innovation & Improvement
255 Capitol St NE
Salem, OR 97310-0203
cassie.medina@ode.oregon.gov

4.2 Grantee's Grant Manager is:

Guadalupe Guerrero
Portland SD 1J
501 N. Dixon St.
Portland, OR 97208-3107

4.3 A Party may designate a new Grant Manager by written notice to the other Party.

SECTION 5: PROJECT ACTIVITIES

Grantee must perform the project activities set forth in Exhibit A (the "Project"), attached hereto and incorporated in this Grant by this reference, for the period beginning on the Effective Date and ending on the expiration date set forth in Section 3 (the "Performance Period").

SECTION 6: GRANT FUNDS

In accordance with the terms and conditions of this Grant, Agency will provide Grantee up to $43,052,702.87 ("Grant Funds") for the Project. Agency will pay the Grant Funds from monies available in the Student Investment Account ("Funding Source"). A reduction in the monies in the Funding Source may result in a decrease in Grant Funds available to Agency.

SECTION 7: DISBURSEMENT GENERALLY

7.1 Disbursement.

7.1.1 Subject to the availability of sufficient moneys in and from the Funding Source based on Agency's reasonable projections of moneys accruing to the Funding Source, Agency will disburse Grant Funds to Grantee for the allowable Project activities described in Exhibit A that are undertaken during the Performance Period.

7.1.2 Grantee must provide to Agency any information or detail regarding the expenditure of Grant Funds required under Exhibit A prior to disbursement or as Agency may request.

7.1.3 Agency will only disburse Grant Funds to Grantee for activities completed or materials produced, that, if required by Exhibit A, are approved by Agency. If Agency determines any completed Project activities or materials produced are not acceptable and any deficiencies are the responsibility of Grantee, Agency will prepare a detailed written description of the deficiencies within 15 days of receipt of the materials or performance of the activity, and will deliver such notice to Grantee. Grantee must correct any deficiencies at no additional cost to Agency within 15 days. Grantee may resubmit a request for disbursement that includes evidence satisfactory to Agency demonstrating

deficiencies were corrected.

7.2 Conditions Precedent to Disbursement. Agency's obligation to disburse Grant Funds to Grantee under this Grant is subject to satisfaction of each of the following conditions precedent:

7.2.1 Agency has received sufficient funding, appropriations, expenditure limitation, allotments or other necessary expenditure authorizations to allow Agency, in the exercise of its reasonable administrative discretion, to make the disbursement from the Funding Source;

7.2.2 No default as described in Section 15 has occurred; and

7.2.3 Grantee's representations and warranties set forth in Section 8 are true and correct on the date of disbursement(s) with the same effect as though made on the date of disbursement.

7.3 No Duplicate Payment. Grantee may use other funds in addition to the Grant Funds to complete the Project; provided, however, the Grantee may not credit or pay any Grant Funds for Project costs that are paid for with other funds and would result in duplicate funding.

7.4 Suspension of Funding and Project. Agency may by written notice to Grantee, temporarily cease funding and require Grantee to stop all, or any part, of the Project dependent upon Grant Funds for a period of up to 180 days after the date of the notice, if Agency has or reasonably projects that it will have insufficient funds from the Funding Source to disburse the full amount of the Grant Funds. Upon receipt of the notice, Grantee must immediately cease all Project activities dependent on Grant Funds, or if that is impossible, must take all necessary steps to minimize the Project activities allocable to Grant Funds.

If Agency subsequently projects that it will have sufficient funds, Agency will notify Grantee that it may resume activities. If sufficient funds do not become available, Grantee and Agency will work together to amend this Grant to revise the amount of Grant Funds and Project activities to reflect the available funds. If sufficient funding does not become available or an amendment is not agreed to within a period of 180 days after issuance of the notice, Agency will either (i) cancel or modify its cessation order by a supplemental written notice or (ii) terminate this Grant as permitted by either the termination at Agency's discretion or for cause provisions of this Grant.

SECTION 8: REPRESENTATIONS AND WARRANTIES

8.1 Organization/Authority. Grantee represents and warrants to Agency that:

8.1.1 Grantee is a District duly organized and validly existing;

8.1.2 Grantee has all necessary rights, powers and authority under any organizational documents and under Oregon Law to (i) execute this Grant, (ii) incur and perform its obligations under this Grant, and (iii) receive financing, including the Grant Funds, for the Project;

8.1.3 This Grant has been duly executed by Grantee and when executed by Agency, constitutes a legal, valid and binding obligation of Grantee enforceable in accordance with its terms;

8.1.4 If applicable and necessary, the execution and delivery of this Grant by Grantee has been authorized by an ordinance, order or resolution of its governing body, or voter approval, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings; and

8.1.5 There is no proceeding pending or threatened against Grantee before any court or governmental authority that if adversely determined would materially adversely affect the Project or the ability of Grantee to carry out the Project.

8.2 False Claims Act. Grantee acknowledges the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any "claim" (as defined by ORS 180.750) made by (or caused by) Grantee that pertains to this Grant or to the Project. Grantee certifies that no claim described in the previous sentence is or will be a "false claim" (as defined by ORS 180.750) or an act prohibited by ORS 180.755. Grantee further acknowledges in addition to the remedies under Section 16, if it makes (or causes to be made) a false claim or performs (or causes to be performed) an act prohibited under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against the Grantee.

8.3 No limitation. The representations and warranties set forth in this Section are in addition to, and not in lieu of, any other representations or warranties provided by Grantee.

SECTION 9: OWNERSHIP

9.1 Intellectual Property Definitions. As used in this Section and elsewhere in this Grant, the following terms have the meanings set forth below:

"Third Party Intellectual Property" means any intellectual property owned by parties other than Grantee or Agency.

"Work Product" means every invention, discovery, work of authorship, trade secret or other tangible or intangible item Grantee is required to create or deliver as part of the Project, and all intellectual property rights therein.

9.2 **Grantee Ownership.** Grantee must deliver copies of all Work Product as directed in Exhibit A. Grantee retains ownership of all Work Product, and grants Agency an irrevocable, non-exclusive, perpetual, royalty-free license to use, to reproduce, to prepare derivative works based upon, to distribute, to perform and to display the Work Product, to authorize others to do the same on Agency's behalf, and to sublicense the Work Product to other entities without restriction.

9.3 **Third Party Ownership.** If the Work Product created by Grantee under this Grant is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Grantee must secure an irrevocable, non-exclusive, perpetual, royalty-free license allowing Agency and other entities the same rights listed above for the pre-existing element of the Third party Intellectual Property employed in the Work Product. If state or federal law requires that Agency or Grantee grant to the United States a license to any intellectual property in the Work Product, or if state or federal law requires Agency or the United States to own the intellectual property in the Work Product, then Grantee must execute such further documents and instruments as Agency may reasonably request in order to make any such grant or to assign ownership in such intellectual property to the United States or Agency.

9.4 **Real Property.** If the Project includes the acquisition, construction, remodel or repair of real property or improvements to real property, Grantee may not sell, transfer, encumber, lease or otherwise dispose of any real property or improvements to real property paid for with Grant Funds for a period of six (6) years after the Effective Date of this Grant without the prior written consent of the Agency.

SECTION 10: CONFIDENTIAL INFORMATION

10.1 **Confidential Information Definition.** Grantee acknowledges it and its employees or agents may, in the course of performing its responsibilities, be exposed to or acquire information that is: (i) confidential to Agency or Project participants or (ii) the disclosure of which is restricted under federal or state law, including without limitation: (a) personal information, as that term is used in ORS 646A.602(12), (b) social security numbers, and (c) information protected by the federal Family Educational Rights and Privacy Act under 20 USC § 1232g (items (i) and (ii) separately and collectively "Confidential Information").

10.2 **Nondisclosure.** Grantee agrees to hold Confidential Information as required by any applicable law and in all cases in strict confidence, using at least the same degree of care Grantee uses in maintaining the confidentiality of its own confidential information. Grantee may not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties, or use Confidential Information except as is allowed by law and for the Project activities and Grantee must advise each of its employees and agents of these restrictions. Grantee must assist Agency in identifying and

preventing any unauthorized use or disclosure of Confidential Information. Grantee must advise Agency immediately if Grantee learns or has reason to believe any Confidential Information has been, or may be, used or disclosed in violation of the restrictions in this Section. Grantee must, at its expense, cooperate with Agency in seeking injunctive or other equitable relief, in the name of Agency or Grantee, to stop or prevent any use or disclosure of Confidential Information. At Agency's request, Grantee must return or destroy any Confidential Information. If Agency requests Grantee to destroy any Confidential Information, Grantee must provide Agency with written assurance indicating how, when and what information was destroyed.

10.3 **Identity Protection Law.** Grantee must have and maintain a formal written information security program that provides safeguards to protect Confidential Information from loss, theft, and disclosure to unauthorized persons, as required by the Oregon Consumer Information Protection Act, ORS 646A.600-628. If Grantee or its agents discover or are notified of a potential or actual "Breach of Security", as defined by ORS 646A.602(1)(a), or a failure to comply with the requirements of ORS 646A.600-628, (collectively, "Breach") with respect to Confidential Information, Grantee must promptly but in any event within one calendar day (i) notify the Agency Grant Manager of such Breach and (ii) if the applicable Confidential Information was in the possession of Grantee or its agents at the time of such Breach, Grantee must (a) investigate and remedy the technical causes and technical effects of the Breach and (b) provide Agency with a written root cause analysis of the Breach and the specific steps Grantee will take to prevent the recurrence of the Breach or to ensure the potential Breach will not recur. For the avoidance of doubt, if Agency determines notice is required of any such Breach to any individual(s) or entity(ies), Agency will have sole control over the timing, content, and method of such notice, subject to Grantee's obligations under applicable law.

10.4 **Subgrants/Contracts.** Grantee must require any subgrantees, contractors or subcontractors under this Grant who are exposed to or acquire Confidential Information to treat and maintain such information in the same manner as is required of Grantee under subsections 10.1 and 10.2 of this Section.

10.5 **Background Check.** If requested by Agency and permitted by law, Grantee's employees, agents, contractors, subcontractors, and volunteers that perform Project activities must agree to submit to a criminal background check prior to performance of any Project activities or receipt of Confidential Information. Background checks will be performed at Grantee's expense. Based on the results of the background check, Grantee or Agency may refuse or limit (i) the participation of any Grantee employee, agent, contractor, subgrantee, or volunteer, in Project activities or (ii) access to Agency Personal Information or Grantee premises.

SECTION 11: INDEMNITY/LIABILITY

11.1 **Indemnity.** Grantee must defend, save, hold harmless, and indemnify the State of Oregon and Agency and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature whatsoever, including attorneys' fees, resulting from, arising out of, or relating to the activities of Grantee or its officers, employees, subgrantees, contractors, subcontractors, or agents under this Grant (each of the foregoing individually or collectively a "Claim" for purposes of this Section)..

11.2 **Defense.** Grantee may have control of the defense and settlement of any Claim subject to this Section. But neither Grantee nor any attorney engaged by Grantee may defend the Claim in the name of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without first receiving from the Attorney General, in a form and manner determined appropriate by the Attorney General, authority to act as legal counsel for the State of Oregon. Nor may Grantee settle any Claim on behalf of the State of Oregon without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event the State of Oregon determines Grantee is prohibited from defending the State of Oregon, or is not adequately defending the State of Oregon's interests, or an important governmental principle is at issue and the State of Oregon desires to assume its own defense. Grantee may not use any Grant Funds to reimburse itself for the defense of or settlement of any Claim.

11.3 **Limitation.** Except as provided in this Section, neither Party will be liable for incidental, consequential, or other direct damages arising out of or related to this Grant, regardless of whether the damages or other liability is based in contract, tort (including negligence), strict liability, product liability or otherwise. Neither Party will be liable for any damages of any sort arising solely from the termination of this Grant in accordance with its terms.

SECTION 12: INSURANCE

12.1 **Private Insurance.** If Grantee is a private entity, or if any contractors, subcontractors, or subgrantees used to carry out the Project are private entities, Grantee and any private contractors, subcontractors or subgrantees must obtain and maintain insurance covering Agency in the types and amounts indicated in Exhibit C.

12.2 **Public Body Insurance.** If Grantee is a "public body" as defined in ORS 30.260, Grantee agrees to insure any obligations that may arise for Grantee under this Grant, including any indemnity obligations, through (i) the purchase of insurance as indicated in Exhibit C or (ii) the use of self-insurance or assessments paid under ORS 30.282 that is substantially similar to the types and amounts of insurance coverage indicated on Exhibit C, or (iii) a combination of any or all of the foregoing.

12.3 **Real Property.** If the Project includes the construction, remodel or repair of real property or improvements to real property, Grantee must insure the real property and improvements against liability and risk of direct physical loss, damage or destruction at

least to the extent that similar insurance is customarily carried by entities constructing, operating and maintaining similar property or facilities.

SECTION 13: GOVERNING LAW, JURISDICTION

This Grant is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between Agency or any other agency or department of the State of Oregon, or both, and Grantee that arises from or relates to this Grant must be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it will be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event may this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, to or from any Claim or from the jurisdiction of any court. GRANTEE, BY EXECUTION OF THIS GRANT, HEREBY CONSENTS TO THE PERSONAL JURISDICTION OF SUCH COURTS.

SECTION 14: ALTERNATIVE DISPUTE RESOLUTION

The Parties should attempt in good faith to resolve any dispute arising out of this Grant. This may be done at any management level, including at a level higher than persons directly responsible for administration of the Grant. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation. Each Party will bear its own costs incurred for any mediation or non-binding arbitration.

SECTION 15: DEFAULT

15.1 **Grantee.** Grantee will be in default under this Grant upon the occurrence of any of the following events:

15.1.1 Grantee fails to use the Grant Funds for the intended purpose described in Exhibit A or otherwise fails to perform, observe or discharge any of its covenants, agreements or obligations under this Grant;

15.1.2 Any representation, warranty or statement made by Grantee in this Grant or in any documents or reports relied upon by Agency to measure the Project, the expenditure of Grant Funds or the performance by Grantee is untrue in any material respect when made; or

15.1.3 A petition, proceeding or case is filed by or against Grantee under any federal or state bankruptcy, insolvency, receivership or other law relating to reorganization, liquidation, dissolution, winding-up or adjustment of debts; in the case of a petition filed

against Grantee, Grantee acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal; or Grantee becomes insolvent or admits its inability to pay its debts as they become due, or Grantee makes an assignment for the benefit of its creditors.

15.2 **Agency.** Agency will be in default under this Grant if, after 15 days written notice specifying the nature of the default, Agency fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Grant; provided, however, Agency will not be in default if Agency fails to disburse Grant Funds because there is insufficient expenditure authority for, or moneys available from, the Funding Source.

SECTION 16: REMEDIES

16.1 **Agency Remedies.** In the event Grantee is in default under Section 15.1, Agency may, at its option, pursue any or all of the remedies available to it under this Grant and at law or in equity, including, but not limited to: (i) termination of this Grant under Section 18.2, (ii) reducing or withholding payment for Project activities or materials that are deficient or Grantee has failed to complete by any scheduled deadlines, (iii) requiring Grantee to complete, at Grantee's expense, additional activities necessary to satisfy its obligations or meet performance standards under this Grant, (iv) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, (v) exercise of its right of recovery of overpayments under Section 17 of this Grant or setoff, or both, or (vi) declaring Grantee ineligible for the receipt of future awards from Agency. These remedies are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

16.2 **Grantee Remedies.** In the event Agency is in default under Section 15.2 and whether or not Grantee elects to terminate this Grant, Grantee's sole monetary remedy will be, within any limits set forth in this Grant, reimbursement of Project activities completed and accepted by Agency and authorized expenses incurred, less any claims Agency has against Grantee. In no event will Agency be liable to Grantee for any expenses related to termination of this Grant or for anticipated profits.

SECTION 17: WITHHOLDING FUNDS, RECOVERY

Agency may withhold from disbursements of Grant Funds due to Grantee, or Grantee must return to Agency within 30 days of Agency's written demand:

17.1 Any Grant Funds paid to Grantee under this Grant, or payments made under any other agreement between Agency and Grantee, that exceed the amount to which Grantee is entitled;

17.2 Any Grant Funds received by Grantee that remain unexpended or contractually committed for payment of the Project at the end of the Performance Period;

17.3 Any Grant Funds determined by Agency to be spent for purposes other than allowable Project activities; or

17.4 Any Grant Funds requested by Grantee as payment for deficient activities or materials.

SECTION 18: TERMINATION

18.1 **Mutual.** This Grant may be terminated at any time by mutual written consent of the Parties.

18.2 **By Agency.** Agency may terminate this Grant as follows:

18.2.1 At Agency's discretion, upon 30 days advance written notice to Grantee;

18.2.2 Immediately upon written notice to Grantee, if Agency fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient in Agency's reasonable administrative discretion, to perform its obligations under this Grant;

18.2.3 Immediately upon written notice to Grantee, if federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that Agency's performance under this Grant is prohibited or Agency is prohibited from funding the Grant from the Funding Source; or

18.2.4 Immediately upon written notice to Grantee, if Grantee is in default under this Grant and such default remains uncured 15 days after written notice thereof to Grantee.

18.3 **By Grantee.** Grantee may terminate this Grant as follows:

18.3.1 If Grantee is a governmental entity, immediately upon written notice to Agency, if Grantee fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to perform its obligations under this Grant.

18.3.2 If Grantee is a governmental entity, immediately upon written notice to Agency, if applicable laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project activities contemplated under this Grant are prohibited by law or Grantee is prohibited from paying for the Project from the Grant Funds or other planned Project funding; or

18.3.3 Immediately upon written notice to Agency, if Agency is in default under this Grant and such default remains uncured 15 days after written notice thereof to Agency.

18.4 **Cease Activities.** Upon receiving a notice of termination of this Grant, Grantee must immediately cease all activities under this Grant, unless Agency expressly directs otherwise in such notice. Upon termination, Grantee must deliver to Agency all materials or other property that are or would be required to be provided to Agency under this Grant or that are needed to complete the Project activities that would have been performed by Grantee.

SECTION 19: MISCELLANEOUS

19.1 **Conflict of Interest.** Grantee by signature to this Grant declares and certifies the award of this Grant and the Project activities to be funded by this Grant, create no potential or actual conflict of interest, as defined by ORS Chapter 244, for a director, officer or employee of Grantee.

19.2 **Nonappropriation.** Agency's obligation to pay any amounts and otherwise perform its duties under this Grant is conditioned upon Agency receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to meet its obligations under this Grant. Nothing in this Grant may be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of Agency.

19.3 **Amendments.** The terms of this Grant may not be altered, modified, supplemented or otherwise amended, except by written agreement of the Parties.

19.4 **Notice.** Except as otherwise expressly provided in this Grant, any notices to be given under this Grant must be given in writing by email, personal delivery, or postage prepaid mail, to a Party's Grant Manager at the physical address or email address set forth in this Grant, or to such other addresses as either Party may indicate pursuant to this Section. Any notice so addressed and mailed becomes effective five (5) days after mailing. Any notice given by personal delivery becomes effective when actually delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system.

19.5 **Survival.** All rights and obligations of the Parties under this Grant will cease upon termination of this Grant, other than the rights and obligations arising under Sections 11, 13, 14, 16, 17 and subsection 19.5 hereof and those rights and obligations that by their express terms survive termination of this Grant; provided, however, termination of this Grant will not prejudice any rights or obligations accrued to the Parties under this Grant prior to termination.

19.6 **Severability.** The Parties agree if any term or provision of this Grant is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Grant did not contain the particular term or provision held to be invalid.

19.7 **Counterparts.** This Grant may be executed in several counterparts, all of which when taken together constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Grant so executed constitutes an original.

19.8 **Compliance with Law.** In connection with their activities under this Grant, the Parties must comply with all applicable federal, state and local laws.

19.9 Intended Beneficiaries. Agency and Grantee are the only parties to this Grant and are the only parties entitled to enforce its terms. Nothing in this Grant provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Grant.

19.10 Assignment and Successors. Grantee may not assign or transfer its interest in this Grant without the prior written consent of Agency and any attempt by Grantee to assign or transfer its interest in this Grant without such consent will be void and of no force or effect. Agency's consent to Grantee's assignment or transfer of its interest in this Grant will not relieve Grantee of any of its duties or obligations under this Grant. The provisions of this Grant will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

19.11 Contracts and Subgrants. Grantee may not, without Agency's prior written consent, enter into any contracts or subgrants for any of the Project activities required of Grantee under this Grant. Agency's consent to any contract or subgrant will not relieve Grantee of any of its duties or obligations under this Grant.

19.12 Time of the Essence. Time is of the essence in Grantee's performance of the Project activities under this Grant.

19.13 Records Maintenance and Access. Grantee must maintain all financial records relating to this Grant in accordance with generally accepted accounting principles. In addition, Grantee must maintain any other records, whether in paper, electronic or other form, pertinent to this Grant in such a manner as to clearly document Grantee's performance. All financial records and other records, whether in paper, electronic or other form, that are pertinent to this Grant, are collectively referred to as "Records." Grantee acknowledges and agrees Agency and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Grantee must retain and keep accessible all Records for a minimum of six (6) years, or such longer period as may be required by applicable law, following termination of this Grant, or until the conclusion of any audit, controversy or litigation arising out of or related to this Grant, whichever date is later.

19.14 Headings. The headings and captions to sections of this Grant have been inserted for identification and reference purposes only and may not be used to construe the meaning or to interpret this Grant.

19.15 Grant Documents. This Grant consists of the following documents, which are incorporated by this reference and listed in descending order of precedence:

- This Grant less all exhibits
- Exhibit A (the "Project")
- Exhibit B (Common and Customized Framework)
- Exhibit C (Insurance)

19.16 **Merger, Waiver.** This Grant and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Grant. No waiver or consent under this Grant binds either Party unless in writing and signed by both Parties. Such waiver or consent, if made, is effective only in the specific instance and for the specific purpose given.

SECTION 20: SIGNATURES

EACH PARTY, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES IT HAS READ THIS GRANT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

IN WITNESS WHEREOF, the Parties have executed this Grant as of the dates set forth below.

STATE OF OREGON acting by and through its Department of Education

By: Philip Hofmann _____ 11/08/2023
Contracting Officer Date

Portland SD 1J

By: _____ _____
Authorized Signature Date

_____ _____
Printed Name Title

_____
Federal Tax ID Number

Approved for Legal Sufficiency in accordance with ORS 291.047

By: Jake Hogue _____ November 8, 2023, via email
Assistant Attorney General Date

EXHIBIT A
THE PROJECT

SECTION I – BACKGROUND AND GOALS

Signed into law in May of 2019, the Student Success Act (SSA) is a historic opportunity for Oregon schools. The law is rooted in equity, authentic community engagement and shared accountability for student success.

SSA establishes the Student Investment Account (SIA) to provide Oregon school districts and eligible charter schools with access to non-competitive grant funds. Each SIA applicant is required to work alongside educators, students, families, and their community to develop a plan and outline priorities and activities that align to the allowable uses in the law.

The SIA grants are for two purposes:

1) Meeting students' mental or behavioral health needs, and
2) Increasing academic achievement and reducing academic disparities for students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged students, students who are homeless, and students who are foster children.

SECTION II – PROJECT DEFINITIONS

The following capitalized terms have the meanings assigned below for purposes of Exhibits A and B.

"Act" means the "Student Success Act" codified in 2019 Oregon Laws Chapter 122, as amended from time to time, inclusive.

"**Allowable Costs of the Project**" means Grantee's actual costs that are reasonable, necessary and directly related to the implementation of the Integrated Plan and are allowable uses of the Grant Funds under the Act.

"Baseline Targets" means the minimum expectations for improvement set forth in the Integrated Plan by the district in either: (i) raising academic achievement or (ii) reducing academic disparities and closing gaps, as further defined in the December 2019 "Guidance for Eligible Applicants".

"Common Metrics" means the Five-Year Completion Rate, Third-Grade Reading Proficiency Rate, Ninth-Grade On-Track Rate, Regular Attendance Rate, and Four-Year On-Time Graduation rate used by the Agency to measure the success of activities funded by the SIA.

"Disaggregated" has the meaning given in section 12(a) of the Act.

"Five-Year Completion Rate" has the meaning given in section 12(b) of the Act.

"Focal Student Groups" means students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged, students who are homeless and students who are foster children.

"Four-Year on-Time Graduation Rate" means the percentage of students who received a high school diploma or a modified diploma within four years of the student beginning the ninth grade.

"Gap Closing Targets" or "Closing Gap Targets" means the reduction of academic disparities between groups of students especially for Focal Student Groups set forth in the Integrated Plan based on the February 2022 "Aligning for Student Success: Integrated Guidance for Six ODE Initiatives".

"Integrated Guidance" means the integration of the following six programs: High School Success (HSS), Student Investment Account (SIA), Continuous Improvement Planning (CIP), Career and Technical Education-Perkins V (CTE), Every Day Matters (EDM), and Early Indicators Intervention Systems (EIIS). Together operationally, the guidance creates opportunities to improve outcomes and learning conditions for students and educators. Working within existing state statutes and administrative rules, ODE developed a framework for success that meets the core purpose of each program while trying to create a stronger framework from which progress, long-term impact, and learning approach to monitoring and evaluation is a hallmark of high-performing educational systems.

"Integrated Plan" means the plan developed following the Integrated Guidance, which includes the SIA, which has a focus on increasing academic achievement by all students, reducing academic disparities for identified student groups, and meeting students' mental and behavioral health needs in addition to other needs deemed important at each school, stated outcomes, strategies, and activities The plan may only be adjusted with approval from ODE staff in order to align with the anticipated outcomes and approved by Agency.

"**Local Optional Metrics"** means additional Progress Markers toward the Common Metrics included in the Integrated Plan.

"Longitudinal Performance Growth Targets (LPGTs)" means the required common metrics and optional locally defined metrics, including targets related to student mental and behavioral health needs, included in Grantee's Integrated Plan.

"Ninth-grade On-Track Rate" has the meaning given in section 12(d) of the Act.

"**Progress Markers"** means sets of indicators set forth in the Integrated Plan that identify the kinds of changes Agency expects to see in policies, practices and approaches over the next three years that lead to Grantee reaching its LPGTs.

"Regular Attendance Rate" has the meaning given in section 12(f) of the Act.

"SIA Account" means the Student Investment Account established, pursuant to ORS 327.175, within the Fund for Student Success for the purpose of distributing grants under ORS 327.195.

"Stretch Targets" means significant improvement set forth in the Integrated Plan by the district in either: (I) raising academic achievement or (ii) reducing academic disparities and closing gaps, as further described in the December 2019 "Guidance for Eligible Applicants".

"Third-Grade Reading Proficiency Rate" has the meaning given in section 12(g) of the Act.

SECTION III – PROJECT ACTIVITIES

Integrated Plan Implementation

Agency will disburse Grant Funds for Allowable Costs of the Project that implement Grantee's Integrated Plan during the Performance Period in accordance with formula and activities described in the Act.

At the start of the 2023-2024 School Year, Grantee must begin to implement its Integrated Plan.

Grantees must use the Grant Funds only for:

(a) Increasing instructional time, which may include: (A) More hours or days of instructional time; (B) Summer programs; (C) Before-school or after-school programs; or (D) Technological investments that minimize class time used for assessments administered to students.

(b) Addressing students' health or safety needs, which may include: (A) Social-emotional learning and development; (B) Student mental and behavioral health; (C) Improvements to teaching and learning practices or organizational structures that lead to better interpersonal relationships at the school; (D) Student health and wellness; (E) Trauma-informed practices; (F) School health professionals and assistants; or (G) Facility improvements directly related to improving student health or safety.

(c) Reducing class sizes, which may include increasing the use of instructional assistants, by using evidence-based criteria to ensure appropriate student-teacher ratios or staff caseloads.

(d) Expanding availability of and student participation in well-rounded learning experiences, which may include: (A) Developmentally appropriate and culturally responsive early literacy practices and programs in prekindergarten through third grade; (B) Culturally responsive practices and programs in grades six through eight, including learning, counseling and student support that is connected to colleges and careers; (C) Broadened curricular options at all grade levels, including access to: (i) Art, music and physical education classes; (ii) Science, technology, engineering and mathematics education; (iii) Career and technical education, including career and technical student organization programs; (iv) Electives that are engaging to students; (v) Accelerated college credit programs, including dual credit programs, International Baccalaureate programs and advanced placement programs; (vi) Dropout prevention programs and transition supports; (vii) Life skills classes; or (viii) Talented and gifted programs; or (D) Access to licensed educators with a library media endorsement

Administrative costs shall not exceed 5% or $500,000, whichever is less, of Grantee's total expenditures. Administrative costs may include (A) Ongoing community engagement; (B) costs associated with the administration of the grant.

Grantee must make satisfactory progress on Grantee's Progress Markers and LPGT described in Exhibit B.

Grantee must periodically review its progress toward meeting Grantee's Progress Markers and LPGT described in Exhibit B.

Subsection 2. Charter School Relationships

For each charter school applying for SIA Funds with the Grantee, please indicate the type of relationship you have: Either Fully Administered or Partially Administered.

Indicate Fully Administered if the Charter will be fully embedded within the Grantee's Integrated Plan and Budget

Indicate Partially Administered if the Grantee will provide broad fiscal and monitoring oversight, but the Charter will act largely independently.

Charter School(s)		
	☐Fully Administered	☐Partially Administered
	☐Fully Administered	☐Partially Administered
	☐Fully Administered	☐Partially Administered
	☐Fully Administered	☐Partially Administered
	☐Fully Administered	☐Partially Administered
	☐Fully Administered	☐Partially Administered

For Fully Administered Charters, all reporting must be done through the Grantee's reporting dashboard.

For Partially Administered Charters, the Grantee shall ensure that the Charter maintains its own Integrated Plan and Budget and reports progress separately on the Charter's reporting dashboard.

SECTION IV – REPORTING REQUIREMENTS

Grantee must submit quarterly financial and performance progress reports as well as a final yearly report on the dates set forth in Section V. This reporting requirement shall survive termination of this Agreement.

Financial Reports

Beginning in October of 2023 and continuing each quarter thereafter, Grantee must submit a financial report detailing its expenditure of Grant Funds to the Agency using the form provided by the Agency.

Reports are due 30 days after the end of each fiscal year quarter. The yearly report will be due no later than 60 days after the end of the performance period.

If Grantee does not use the Grant Funds for Allowable Project Costs Agency may exercise the remedies provided in Section 17 of this Grant, including without limitation deducting amounts from future disbursements of Grant Funds.

Any Grant Funds that are not used by Grantee by September 30 of each grant year, must be returned to Agency for deposit in the Student Investment Account.

Integrated Plan Performance Reporting

The Agency will closely monitor and evaluate Grantee's progress towards its Progress Markers.

Beginning in October of 2023 and continuing each quarter thereafter, Grantee must submit a narrative Performance Progress Report detailing its Integrated Plan activities to the Agency using the form provided by the Agency. Reports are due 30 days after the end of each fiscal year quarter. Reports include providing Progress Marker updates. The yearly report will be due no later than 60 days after the end of the performance period.

SIA Grant Monitoring

The Agency will monitor Grantee's performance under this Grant in person, video conferencing or by phone. Agency will provide written notice to Grantee, as provided in Section 19.4 of the Grant, at least 15 days in advance of Agency's monitoring activities and will schedule in person visits, video conferencing and phone calls.

A Grant monitoring visit or call may cover a variety of topics at Agency's discretion including but not limited to: Grantee's compliance with the SIA Account purposes; challenges faced by the Grantee in implementing its Plan; Integrated Plan outcomes; its budget and expenditure of moneys received from the SIA Account, Grantee's progress toward achieving its Progress Markers; financial reporting, any expenditure changes, and reconciliation of Grant Funds; or Grantee's training and technical assistance needs.

Before an on-site visit, the Agency will advise Grantee on how to prepare for the monitoring visit and financial reconciliation, the format for the visit, and which Grantee organizational leaders, staff or others should be involved in the visit. Once a date and time are confirmed, the Grantee should send a notification to its organizational leaders, staff, students and community partners who are expected to participate; identify a meeting location and prepare all necessary monitoring documents and data.

The department may establish a procedure for conducting performance audits on a random basis or based on just cause as allowed under rules adopted by the board.

Each grant recipient must conduct a performance review every four years as required by standards adopted in board rule.

SECTION V – DISBURSEMENT and REPORTING PROVISIONS

Agency will disburse the Grant Funds using its Electronic Grants Management System ("EGMS"), on a quarterly basis as outlined below:

Disbursement Date	Quarterly Amount
July 1	**25% of funds allocated**
October 1	**25% of funds allocated**
January 1	**25% of funds allocated**
April 1	**25% of funds allocated**

If this Grant is not fully executed by July 1, annually, the Agency will disburse the Grant Funds within 30 days of the Execution Date.

Agency will disburse the Grant Funds in quarterly disbursements in advance of expenditures, not on a reimbursement basis. While we encourage grantees to draw funds down following the schedule noted above, 100% of funds must be drawn down by June 30th, each year.

Grantee must submit its financial and performance progress reports by the following dates:

October 31

January 31

April 30

November 30 (Annual Report)

Grantee shall provide to Agency the minutes from the board meeting demonstrating that Grantee's Financial Audit was presented at an open meeting with the opportunity for public comment (not a consent agenda item). These board minutes must be submitted alongside the Second Quarterly Report.

Grantee shall provide to Agency the minutes from the board meeting demonstrating that Grantee's Annual Report was presented at an open meeting with the opportunity for public comment (not a consent agenda item). These board minutes must be submitted alongside the Annual Report.

Grantee must post its Annual Report to Grantee's webpage.

EXHIBIT B
COMMON AND CUSTOMIZED PERFORMANCE FRAMEWORK
PORTLAND SD 1J

SECTION I – PROGRESS MARKERS FOR 2023-2025 BIENNIUM

The Progress Markers are a mechanism to support a developmental approach to evaluation with a focus on learning about the kinds of changes that happen from distinct investments. Grantees will provide updates toward these Progress Markers through the quarterly/annual reports. The following fifteen Progress Markers are arranged into three categories that represent the advancement in degree of change from minimum to profound as described and listed below:

A. "Start to See: Early Signs of Progress" Based on your investments and activities, what changes or contributions are you noticing? What practices are improving?

B. "Gaining Traction: Intermediate Changes" Based on your investments and activities, are you seeing any of these impacts?

C. "Profound Progress: Substantial and Significant Changes" Based on your investments and activities, are any of these more transformational changes noticeable?

A. Start to See: Early Signs of Progress

1	Community engagement is authentic, consistent, and ongoing. The strengths that educators, students, families, focal groups, and tribal communities bring to the educational experience informs school and district practices and planning.
2	Equity tools are utilized in continuous improvement cycles, including the ongoing use of an equity lens or decision-tool that impacts policies, procedures, people/students, resource allocation, and practices that may impact grading, discipline, and attendance.
3	Data teams are formed and provided time to meet regularly to review disaggregated student data in multiple categories (grade bands, content areas, attendance, discipline, mental health, participation in advanced coursework, formative assessment data, etc.). These teams have open access to timely student data and as a result decisions are made that positively impact district/school-wide systems and focal populations.
4	Schools and districts have an accurate inventory of literacy assessments, tools, and curriculum being used, including digital resources, to support literacy (reading, writing, listening, and speaking). The inventory includes a review of what resources and professional development are research-aligned, formative, diagnostic, and culturally responsive.

B. Gaining Traction: Intermediate Changes

5	Two-way communication practices are in place, with attention to mobile students and primary family languages. Families understand approaches to engagement and attendance, literacy strategy, math vision, what ''9th grade on-track'' means, graduation requirements, access to advanced/college-level courses and CTE experiences, and approaches to supporting student well-being and well-rounded education.
6	Student agency and voice is elevated. Educators use student-centered approaches and instructional practices that shift processes and policies that actualize student and family ideas and priorities.
7	Action research, professional learning, data teams, and strengths-based intervention systems are supported by school leaders and are working in concert to identify policies, practices, or procedures informed by staff feedback to meet student needs, including addressing systemic barriers, the root-causes of chronic absenteeism, academic disparity, and student well-being. These changes and supports are monitored and adjusted as needed.
8	Comprehensive, evidence-informed, culturally responsive literacy plans, including professional development for educators, are documented and communicated to staff, students (developmentally appropriate), and families. Literacy plans and instruction are evaluated and adjusted to deepen students' learning. Digital resources are being used with fidelity to advance learners' engagement with instruction.
9	A review of 9th grade course scheduling, as it relates to on-track status for focal student groups, accounts for core and support core class placement . School staff ensure emerging bilingual students are enrolled in appropriate credit-bearing courses that meet graduation requirements.
10	Foundational learning practices that create a culturally sustaining and welcoming climate are visible. This includes practices that ensure safe, brave, and welcoming classrooms, schools and co/extracurricular environments. Strengths-based, equity-centered, trauma and SEL-informed practices are present and noticeable. Policies and practices prioritize health, well-being, care, connection, engagement, and relationship building. Multiple ways of being are supported through culturally affirming and sustaining practices for students, staff, and administrators.

C. Profound Progress: Substantial and Significant Changes

11	Schools strengthen partnerships with active community organizations and partners, including local public health, mental health, colleges, workforce development boards, employers, labor partners, faith communities, Tribal nations, and other education partners in order to collaboratively support students' growth and well-being. Characteristics of strong partnerships include mutual trust and respect, strengths-based and collaborative approaches, clear communication around roles, and shared responsibilities and decision-making power.
12	Financial stewardship reflects high-quality spending with accurate and transparent use of state and federal funds in relationship to a comprehensive needs assessment, disaggregated data, and the priorities expressed by students, families, communities, business, and Tribal partners in resource allocation and review.
13	Students and educators experience a well-rounded and balanced use of assessment systems that help them identify student learning in the areas of the Oregon State Standards. Educators understand how to assess emerging multilingual students' assets to inform gauging progress.
14	Policies, practices, and learning communities address systemic barriers. Schools and districts have a process to identify, analyze, and address barriers that disconnect students from their educational goals, impact student engagement or attendance, and/or impede students from graduating on-time or transitioning to

	their next steps after high school. Staff members are consistently engaging in action research, guided by student's strengths and interests, to improve their practice and advance professional learning.
15	Schools create places and learning conditions where every student, family, educator and staff member is welcomed, where their culture and assets are valued and supported, and where their voices are integral to decision making. Instruction is monitored and adjusted to advance and deepen individual learners' knowledge and understanding of the curriculum. Educators are empowered with agency and creativity. Communities are alive with visions, stories, and systems of vitality, wholeness, and sustainability.

SECTION II – FINALIZED CO-DEVELOPED LPGTS

The Longitudinal Performance Growth Targets (LPGTs) include baseline, stretch, and gap-closing targets for each of the common metrics. These targets center focal student groups while supporting public transparency and learning. Progress toward meeting these Longitudinal Performance Growth Targets will be included in the Annual Report. While all three types of targets are named in the Grant Agreement, ODE will review and consider when or if intervention is needed using only the Baseline and Gap-Closing Targets

Target Type	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**
Four Year Cohort Graduation					
Baseline Target: All Students	**86.20%**	**86.70%**	**87.20%**	**87.70%**	**88.20%**
Stretch Target: All Students	**86.68%**	**87.68%**	**88.68%**	**89.68%**	**90.68%**
Gap-Closing Target: All Focal Group Students	**80.00%**	**81.00%**	**82.00%**	**83.00%**	**84.00%**
Five Year Cohort Completion					
Baseline Target: All Students	**90.20%**	**90.40%**	**90.60%**	**90.80%**	**91.00%**
Stretch Target: All Students	**90.60%**	**91.20%**	**91.80%**	**92.40%**	**93.00%**
Gap-Closing Target: All Focal Group Students	**86.10%**	**87.10%**	**88.00%**	**89.00%**	**90.00%**

9th Grade on-Track					
Baseline Target: All Students	**90.36%**	**90.66%**	**90.96%**	**91.26%**	**91.56%**
Stretch Target: All Students	**90.81%**	**91.56%**	**92.31%**	**93.06%**	**93.81%**
Gap-Closing Target: All Focal Group Students	**85.83%**	**86.83%**	**87.83%**	**88.83%**	**89.83%**
3rd Grade ELA Proficiency					
Baseline Target: All Students	**56.80%**	**57.90%**	**58.90%**	**60.00%**	**61.00%**
Stretch Target: All Students	**57.40%**	**58.90%**	**60.50%**	**62.00%**	**63.60%**
Gap-Closing Target: All Focal Group Students	**39.60%**	**42.70%**	**45.90%**	**49.00%**	**52.10%**
Regular Attenders					
Baseline Target: All Students	**70.00%**	**71.00%**	**72.00%**	**73.00%**	**74.00%**
Stretch Target: All Students	**71.00%**	**74.00%**	**77.00%**	**80.00%**	**83.00%**
Gap-Closing Target: All Focal Group Students	**50.00%**	**53.00%**	**56.00%**	**59.00%**	**62.00%**

SECTION III – APPROVED LOCAL OPTIONAL METRICS (IF APPLICABLE)

Local optional metrics are designed to allow grantees to set and monitor metrics connected to outcomes they've described in their Integrated Plan.

	2023-24	2024-25	2025-26	2026-27	2027-28
Local Optional Metrics					
Baseline Target: All Students					
Stretch Target: All Students					
Gap-Closing Target: All Focal Group Students					

EXHIBIT C
INSURANCE

INSURANCE REQUIREMENTS

Grantee/Recipient shall obtain at Grantee/Recipient's expense the insurance specified in this Exhibit C prior to performing under this Contract. Grantee/Recipient shall maintain such insurance in full force and at its own expense throughout the duration of this Contract, as required by any extended reporting period or continuous claims made coverage requirements, and all warranty periods that apply. Grantee/Recipient shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. All coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers' Compensation. Grantee/Recipient shall pay for all deductibles, self-insured retention, and self-insurance, if any.

If Grantee/Recipient maintains broader coverage and/or higher limits than the minimums shown in this insurance requirement exhibit, Agency requires and shall be entitled to the broader coverage and/or higher limits maintained by Grantee/Recipient.

WORKERS' COMPENSATION & EMPLOYERS' LIABILITY

All employers, including Grantee/Recipient, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017, and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Grantee/Recipient shall require and ensure that each of its subcontractors complies with these requirements. If Grantee/Recipient is a subject employer, as defined in ORS 656.023, Grantee/Recipient shall also obtain employers' liability insurance coverage with limits not less than $500,000 each accident.

If Grantee/Recipient is an employer subject to any other state's workers' compensation law, Contactor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than $500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

As applicable, Grantee/Recipient/Recipient shall obtain coverage to discharge all responsibilities and liabilities that arise out of or relate to the Jones Act with limits of no less than $5,000,000 and/or the Longshoremen's and Harbor Workers' Compensation Act.

COMMERCIAL GENERAL LIABILITY

Grantee/Recipient shall provide Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance must include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project, or operation. Coverage must be written on an occurrence basis in an amount of not less than $1,000,000 per occurrence and not less than $2,000,000 annual aggregate limit.

AUTOMOBILE LIABILITY INSURANCE

☒ **Required** ☐ **Not required**

Grantee/Recipient shall provide Automobile Liability Insurance covering Grantee/Recipient's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than $1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and

Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

PROFESSIONAL LIABILITY

☒ **Required** ☐ **Not required**

Grantee/Recipient shall provide Professional Liability covering any damages caused by an error, omission or any negligent acts related to the services to be provided under this Contract by the Grantee/Recipient and Grantee/Recipient's subcontractors, agents, officers or employees in an amount not less than $1,000,000 per claim and not less than $2,000,000 annual aggregate limit.

If coverage is provided on a claims made basis, then either an extended reporting period of not less than 24 months shall be included in the Professional Liability insurance coverage, or the Grantee/Recipient shall provide Continuous Claims Made coverage as stated below.

EXCESS/UMBRELLA INSURANCE

A combination of primary and excess/umbrella insurance may be used to meet the required limits of insurance. When used, all of the primary and umbrella or excess policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The umbrella or excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance.

ADDITIONAL INSURED

All liability insurance, except for Workers' Compensation, Professional Liability, Pollution Liability and Network Security and Privacy Liability (if applicable), required under this Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees, and agents as Additional Insureds, but only with respect to Grantee/Recipient's activities to be performed under this contract. Coverage shall be primary and non-contributory with any other activities to be performed under this Grant.

Regarding Additional Insured status under the General Liability policy, we require additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Grantee/Recipient's activities to be performed under this Contract. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on or at least as broad as ISO Form CG 20 10 and the Additional Insured endorsement with respect to completed operations must be on or at least as broad as ISO form CG 20 37.

WAIVER OF SUBROGATION

Grantee waives, and must require its first tier contractors and subgrantees waive, rights of subrogation which Grantee, Grantee's first tier contractors and subgrantees, if any, or any insurer of Grantee may acquire against the Agency or State of Oregon by virtue of the payment of any loss. Grantee must obtain, and require its first tier contractors and subgrantees to obtain, any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the Grantee or the Grantee's insurer(s).

CONTINUOUS CLAIMS MADE COVERAGE

If any of the required liability insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, then Grantee/Recipient shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of the Grant Agreement, for a minimum of 24 months following the later of:

1. Grantee/Recipient 's completion and Agency's acceptance of all Services required under the Contract, or
2. Agency or Grantee/Recipient termination of this Contract, or
3. The expiration of all warranty periods provided under this Contract.

CERTIFICATE(S) AND PROOF OF INSURANCE

Grantee/Recipient shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Contract. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

NOTICE OF CHANGE OR CANCELLATION

The Grantee/Recipient or its insurer must provide at least 30 days' written notice to Agency before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

INSURANCE REQUIREMENT REVIEW

Grantee/Recipient agrees to periodic review of insurance requirements by Agency under this Contract and to provide updated requirements as mutually agreed upon by Grantee/Recipient and Agency.

STATE ACCEPTANCE

All insurance providers are subject to Agency acceptance. If requested by Agency, Grantee/Recipient shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency's representatives responsible for verification of the insurance coverages required under this Exhibit C.

Additional Coverages That May Apply:

DIRECTORS, OFFICERS AND ORGANIZATION LIABILITY:

☒ **Required** ☐ **Not required**

Grantee/Recipient shall provide **Directors, Officers and Organization** insurance covering the Grantee/Recipient's Organization, Directors, Officers, and Trustees actual or alleged errors, omissions, negligent, or wrongful acts, including improper governance, employment practices and financial oversight - including improper oversight and/or use of use of grant funds and donor contributions which includes state or federal funds - with a combined single limit of not less than $1,000,000 per claim.

PHYSICAL ABUSE AND MOLESTATION INSURANCE COVERAGE:

☒ **Required** ☐ **Not required**

Grantee/Recipient shall provide Abuse and Molestation Insurance in a form and with coverage that are satisfactory to the State covering damages arising out of actual, perceived, or threatened physical abuse, mental injury, sexual molestation, negligent: hiring, employment, supervision, training, investigation, reporting to proper authorities, and retention of any person for whom the Grantee/Recipient is responsible including but not limited to Grantee/Recipient and Grantee/Recipient's employees and volunteers. Policy endorsement's definition of an insured shall include the Grantee/Recipient, and the Grantee/Recipient's employees and volunteers. Coverage shall be written on an occurrence basis in an amount of not less than $1,000,000 per occurrence and not less than $3,000,000 annual aggregate. Coverage can be provided by a separate policy or as an endorsement to the commercial general liability or professional liability policies. The limits shall be exclusive to this required coverage. Incidents related to or arising out of physical abuse, mental injury, or sexual molestation, whether committed by one or more individuals, and irrespective of the number of incidents or injuries or the time period or area over which the incidents or injuries occur, shall be treated as a separate occurrence for each victim. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

PORTLAND PUBLIC SCHOOLS
DIVISION OF INSTRUCTION & SCHOOL COMMUNITIES
501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3702
Website: https://www.pps.net/

Date: December 20, 2023
To: School Board
From: Dr. Jon Franco, Chief of Schools
Subject: 2024-25 School District Calendar

Staff is submitting this recommended 2024-25 School District Calendar for the Board to consider and vote on at the February 6, 2024 Board meeting.

Given the new Collective Bargaining Agreement with PAT there are several adjustments that will affect our school calendar. Most notably:

- 193 day work year
- 176 instructional days
- Grading and planning days at the end of Quarters 1 through 3
- One grading day at the end of Quarter 4
- Eight early release days for K5, K8, K12 and middle schools for staff learning
- 10, 60 minute staff learning times for K5, K8, K12 and middle schools throughout the year
- 30, 90 minute staff learning/meetings for high schools throughout the year

For next school year there are two potential professional development days, non-school days, added to the calendar to support the professional learning of our educators working in schools that have been identified for targeted or comprehensive school improvement (TSI/CSI). These two potential professional development days, August 20, 2024 and March 3, 2025, are additional days added to the calendar and do not reduce the existing instructional days. These additional professional development days are contingent on budget decisions and are place holders for the time being. Should funds be allocated during the budget process, professional educators from schools identified for improvement (CSI and TSI schools) would be required to attend.

Staff did receive some initial feedback from PAT, some building administrators and district departments. Given the timing of the ratification of the collective bargaining agreement with PAT, staff will continue to reach out to principals, PAT, PFSP, RESJ Partners and others through the first two weeks of January for additional feedback.

The recommended calendar for next year also includes many of the features and considerations that were factored into the school calendar the past few years:

- Attempt to preserve or maximize uninterrupted whole weeks for instruction; no scheduled classes are proposed during Thanksgiving week to support family childcare planning and permit academic-teacher conferences to take place

- Maintain the start of the school year on a date prior to Labor Day

- Goal of ensuring semesters and quarters have a balanced number of instructional days; attempt to balance length of quarters: Q1 = 46 days; Q2 = 42 (this does not include the conference days) days; Q3 = 40 days; Q4 = 45 days

- Ensure calendar follows all bargaining units' contracts, including agreed upon provisions per the ratified PAT contract

- Coordination of spring break with local university calendars, to align with schedules of older siblings and university student interns who work in our classrooms; Oregon spring break is traditionally the last full 5-day work week in March

- Desire to maximize instructional days prior to Advanced Placement, International Baccalaureate, and other end-of-year summative assessments taking place

- Avoid conflicts with major religious and cultural holidays to the extent possible; and to plan to engage stakeholders on recognizing religious holidays for the 2024-25 calendar
    - District practice has been to communicate to building administrators in multiple ways to avoid scheduling special school events on dates of major religious and cultural holidays

- Ensure instructional hours for seniors meet state requirements

- A 4-day "Kindergarten Ramp Up" where all Kindergarten students will have 1-day in school over the course of the four days with smaller numbers of students to orient them to school. Historically, Kindergarten has started 3 days after grades 1-12. The three days were mostly used for 1:1 assessments with students. Adding an additional day will provide all students with a smaller group 1-day orientation, relationship building, and 1:1 family connections. This practice day counts as one day of instruction.

- A 1-day Ramp Up for 6th, 9th, and 12th graders at comprehensive middle and high schools to support the transition for students to a new building for 6th and 9th graders and to kick off the final year for seniors

This recommended calendar is an important first step for both internal planning in the District and for staff and parents to have a date on the calendar by which to plan.

PORTLAND PUBLIC SCHOOLS

2024-25 District Calendar

JULY 2024

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

AUGUST 2024

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15 (New Educator Orientation)	16 (New Educator Orientation)
19	20	21 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	22 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	23 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)
26 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	27 (First/last day of school for students (8/27 & 6/10): 7th-8th &10th-11th grade at comprehensive middle schools and high schools start on 8/28)	28	29	30

SEPTEMBER 2024

M	T	W	T	F
2	3 (K)	4	5	6
9 (PK)	10 **	11	12	13
16	17 *	18	19	20
23	24 *	25 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	26 (Mid-Term Progress Reports (9/26, 12/12, 2/27, 5/8))	27
30				

OCTOBER 2024

M	T	W	T	F
	1 *	2	3	4
7	8	9	10	11 (Statewide inservice (no school for students))
14	15 **	16	17	18
21	22 *	23 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	24	25
28	29 *	30	31 (End of quarter (10/31, 1/24, 4/3))	

NOVEMBER 2024

M	T	W	T	F
				1 (Grading Day (11/1, 1/27, 4/4, 6/11))
4 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	5 **	6	7	8
11	12 *	13	14	15
18	19 *	20 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	21	22
25 (Day/evening conferences (no school for students) (11/25, 11/26))	26 (Day/evening conferences (no school for students) (11/25, 11/26))	27	28	29

DECEMBER 2024

M	T	W	T	F
2	3 **	4	5	6
9	10	11	12 (Mid-Term Progress Reports (9/26, 12/12, 2/27, 5/8))	13
16	17 *	18 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	19	20
23	24	25	26	27
30	31			

JANUARY 2025

M	T	W	T	F
		1	2	3
6	7 **	8	9	10
13	14 *	15	16	17
20	21 *	22	23	24 (End of quarter (10/31, 1/24, 4/3))
27 (Grading Day (11/1, 1/27, 4/4, 6/11))	28 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	29	30	31

FEBRUARY 2025

M	T	W	T	F
3	4 **	5	6	7
10	11 *	12	13	14
17 (Possible snow make-up day (2/17, 6/11, 6/12, 6/13))	18	19	20	21
24	25 *	26 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	27 (Mid-Term Progress Reports (9/26, 12/12, 2/27, 5/8))	28

MARCH 2025

M	T	W	T	F
3 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning) *	4 *	5	6	7
10	11 **	12	13	14
17	18 *	19 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	20	21
24	25	26	27	28
31				

APRIL 2025

M	T	W	T	F
	1 *	2	3 (End of quarter (10/31, 1/24, 4/3))	4 (Grading Day (11/1, 1/27, 4/4, 6/11))
7 (Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 * 3/3 No Students. Optional TSI/CSI Professional Learning)	8 **	9	10	11
14	15 *	16	17	18
21	22 *	23 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	24	25
28	29 *	30		

MAY 2025

M	T	W	T	F
			1	2
5	6 **	7	8 (Mid-Term Progress Reports (9/26, 12/12, 2/27, 5/8))	9
12	13 *	14	15	16
19	20 *	21 (Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21))	22	23
26	27	28	29	30

JUNE 2025

M	T	W	T	F
2	3 **	4	5	6
9	10 (First/last day of school for students (8/27 & 6/10): 7th-8th &10th-11th grade at comprehensive middle schools and high schools start on 8/28)	11 (Grading Day (11/1, 1/27, 4/4, 6/11)) (Possible snow make-up day (2/17, 6/11, 6/12, 6/13))	12 (Possible snow make-up day (2/17, 6/11, 6/12, 6/13))	13 (Possible snow make-up day (2/17, 6/11, 6/12, 6/13))
16	17	18	19	20
23	24	25	26	27
30				

	Schools closed due to holiday or break period		Early Release for Staff Professional Meeting and Learning. Does NOT apply to high schools. (9/25, 10/23, 11/20, 12/18, 2/26, 3/19, 4/23, 5/21)
★	First/last day of school for students (8/27 & 6/10): 7th-8th &10th-11th grade at comprehensive middle schools and high schools start on 8/28	◆	End of quarter (10/31, 1/24, 4/3)
✚	Day/evening conferences (no school for students) (11/25, 11/26)		Teacher Professional Development/planning day (no school for students); Preservice Planning/PD Days: 8/21-8/26; Planning Days: 11/4, 1/28, 4/7 ** 3/3 No Students. Optional TSI/CSI Professional Learning*
▲	Statewide inservice (no school for students)		Possible snow make-up day (2/17, 6/11, 6/12, 6/13)
K	Kindergarten first day (9/3): Kindergarten Ramp Up Aug 27 - 30; Students attend 1 day between Aug. 27 - 30 in small groups	PK	Pre-Kindergarten/Head Start first day (9/9)
	Mid-Term Progress Reports (9/26, 12/12, 2/27, 5/8)	* OR **	* Staff meeting for high schools only ** Staff meeting for all schools
	New Educator Orientation (8/15, 8/16)	✔	Grading Day (11/1, 1/27, 4/4, 6/11)
▭	Indicates a major religious or cultural holiday or event to avoid scheduling conflicts. For holidays lasting multiple days, only the first and last day are indicated. See back page for details.		

DRAFT

Major Religious Holidays and Cultural Events 2024-25	
Schools work to avoid scheduling special school events on major religious holidays and cultural events to be inclusive of all students. This includes the scheduling of field trips, back-to-school night, outdoor school, assemblies, major tests, PTA and site council meetings, student performances, etc. This list of holidays/events does not include all students' traditions and there may be other dates to avoid scheduling conflicts for students.	
Oct. 2-4 Rosh Hashanah*	Mar. 5 Ash Wednesday
Oct. 11-12 Yom Kippur*	Feb. 28 - Mar. 29 Ramadan*
Oct. 14 Indigenous Peoples' Day	Apr. 18 Good Friday
Oct. 31 Diwali	Apr. 20 Easter
Nov. 29 Native American Heritage Day	Mar. 30 - Apr. 1 Eid al-Fitr*
Dec. 25 - Jan. 2 Hanukkah*	April 12 - 20 Passover*
Dec. 25 Christmas	June 6 & 7 Eid al-Adha*
Dec. 26. - Jan. 1 Kwanzaa	June 19 Juneteenth
Jan. 29 Lunar New Year	
**Observance of Jewish and Muslim holidays begin at sundown on the first day listed and end at nightfall on the last date specified.*	

DRAFT

Portland Public Schools
501 N Dixon St. / Portland, OR 97217

Date: November 7, 2023

To: School Board

From: Dr. Jon Franco, Chief of Schools
Dr. Esther Omogbehin, Assistant Superintendent of Schools

Subject: Enrollment and Program Balancing/SEGC Phase II Implementation Update

BACKGROUND

In 2019 the PPS Board of Directors authorized an enrollment and program balancing initiative for schools in the southeastern region of our district. In a follow-up 2020 scope of work the Board laid out three outcome goals:

- Optimize Use of Facilities
- Support Middle School Redesign
- Minimize Program Co-Locations

A diverse stakeholder group of parents, school administrators, teachers and community partners, were assembled as the Southeast Guiding Coalition (SEGC) and began meeting virtually in fall 2020 to review enrollment and program challenges and opportunities. Their work was aided by FLO Analytics, who provided facilitation, data analysis and modeling, and community engagement support. The work was impacted by the constraints of the virtual meeting environment, complexities due to the ongoing, pandemic-related and school closures, and the fast-approaching 2021 opening date for newly rebuilt Kellogg Middle School.

Data analysis from FLO Analytics showed that, while some schools in the region were experiencing overcrowding, the most likely enrollment-based challenges facing Black, Indigenous and other Students of Color living in Southeast were lack of access to robust programming. This was due in large part to the number of K-8 neighborhood schools that remained in SE, which did not provide the same degree of programming as comprehensive middle schools.

After twelve coalition meetings, numerous focus groups and a virtual open house attended by more than 800 community members, the SEGC delivered a recommendation in December 2020 for the Kellogg MS feeder pattern, impacting six K-8 schools from K-8 to K-5 structures. The PPS Board approved a modified version of the recommendation in February 2021. The Board also charge the coalition to continue on to Phase II of the project, and focus on:

- Attendance area and special program assignments for Harrison Park Middle School
- Relocating K-5 students and programs currently served at Harrison Park
- Increasing enrollment at Lane Middle School

The Board narrowed the scope for SEGC Phase II, so fewer schools were included in the coalition. FLO Analytics returned, and BRIC Architecture was brought on to provide virtual meeting facilitation and engagement support. The coalition held 15 virtual meetings over ten

months and received community feedback through surveys, focus groups and a virtual open house. They delivered a Phase II recommendation in March 2022. The Board approved the recommendation in May 2022, with the exception of a proposed change for the Lent neighborhood program which was decided in October 2022.

SEGC Phase II changes impacted 20 schools, including:

- Harrison Park conversion to a middle school
    - HP K-5 moved to Clark Elementary (located at old CSS building)
    - K-5 Chinese DLI moved to Clark Elementary
    - 6-8 Chinese DLI moved from Hosford to Harrison Park
    - 6-8 boundary changes from Mt. Tabor and Roseway (only applies to 6th graders this year)
- Bridger and Creative Science schools combined into Bridger Creative Science K-8 on the Bridger campus
    - Bridger Spanish DLI moved to Lent Elementary
    - Boundary changes to Atkinson/Harrison Park and Arleta/Kellogg
- Lent became all Spanish DLI school and the English-scholar program relocated to Marysville Elementary
- Mt. Tabor 6-8 Spanish DLI moved to Kellogg
- Lane grew through boundary changes with Hosford, Kellogg and Sellwood
- Whitman and Woodmere grew through boundary changes with Arleta, Lewis, Marysville and Woodstock
- Additional boundary changes were drawn for Arleta, Woodstock, Creston, Glencoe, Marysville and Vestal

PHASE II IMPLEMENTATION

Due to the length of the SEGC process, implementation of Phase II changes was deferred to the start of the 2023-24 school year. Planning for changes to twenty schools began in Spring of 2022 and involved seventeen central departments. Implementation highlights include:

Engagement - Principals held community building events to ensure families and staff are aware of upcoming changes that may impact them individually or their school community. These community building events included, but were not limited to parent and family nights focused on community and culture of the school, administrator and student leader visits, and family/community listening sessions.

Child Care and SUN Services - Access to child care and engaging after school activities was a primary concern for many parents throughout the SEGC process. New partnership agreements were forged for schools undergoing significant changes, and both SUN and childcare providers are at Bridger Creative Science, Lent and Marysville. Childcare is available at Clark, and SUN is open at Harrison Park. Ongoing work includes arranging for transportation from Marysville after the SUN program ends.

Transportation - Numerous route additions and changes were made, and all routes operated as planned on day one. Guaranteed transitional bus service was established for students in boundary change areas who want to stay at their 22/23 schools, all Lent DLI students living in the 22/23 Bridger attendance area and Harrison Park DLI students living in the Woodstock attendance boundary. Transitional services are temporary exceptions to transportation guidelines that will last 5 years for elementary - 2 years for Middle school - 8 years for K-8..

As a result of the SEGC changes, two vehicles were added to the fleet, at an annual cost of $220,000.

Safe Routes to Schools - PPS Safe Routes to Schools is a collaborative program between PPS, PBOT, and METRO promoting active transportation getting students safely to and from

school. Here is a snapshot of what's been done at our SEGC schools:

- 12 SEGC schools participated in International Walk & Roll to School Day on 10/4 (Arleta, Atkinson, Bridger Creative Science, Creston, Glencoe, Kelly, Lent, Lewis, Marysville, Vestal, Whitman, Woodstock)
- Pedestrian and Bicycling Safety Education at Glencoe, Lewis, and Woodmere
- Active Walking or Biking School Bus at five SEGC schools
- School Street, a car-free block adjacent to a school open to walking, biking, and rolling during arrival and dismissal times. Automobiles may not enter or exit the area during School Street hours, with exceptions for local residents and school buses
- Neighborhood bicycling and greenway infrastructure maps created for all SEGC schools
- Piloting 'School-Pool' (a carpooling app for families) at Bridger Creative Science

Enrollment - A key outcome of SEGC Phase II was enrollment increases at small schools such as Lane, Whitman, Woodmere and Vestal. Enrollment rose, as hoped, at most of those schools. Full impact of the boundary changes will not be felt until 2025 for middle schools and 2028 for elementary schools.

Grade Range	School	2022-23 Enrollment	2023-24 Preliminary Oct 1 Enrollment	Year to Year Change in Enrollment
MS	Harrison Park	opened 2023	321	New
K5	Clark	opened 2023	342	New
K8	Bridger Creative Science	opened 2023	516	New
K5	Arleta	256	275	19
K5	Atkinson	337	366	29
K5	Creston	260	238	-22
K5	Glencoe	394	372	-22
MS	Hosford	566	522	-44
MS	Kellogg	661	681	20
MS	Lane	336	391	55
K5	Lent	251	273	22
K5	Lewis	320	298	-22
K5	Marysville	286	359	73
MS	Mt Tabor	607	503	-104
MS	Roseway Heights	583	553	-30
MS	Sellwood	563	567	4
K5	Vestal	232	228	-4
K5	Whitman	153	180	27
K5	Woodmere	235	250	15
K5	Woodstock	491	455	-36

Facility Improvements - The focus was on schools converting to different structures or welcoming significant numbers of new students. Changes included:

- Harrison Park: Improvement to the cafeteria, classrooms, interior entry space and the administration offices and a full HVAC system replacement.
- Bridger CS: Locker room conversion to office spaces, ADA / SPED upgrades

- Clark: Interior Seismic improvements and floor repair in multiple classrooms

Human Resources - In addition to all other staffing changes required to support SEGC moves, ten staff positions were allocated, as shown below. The pool was set aside by direction of the board to allow teams to create bridges as well as to support full programming for low-enrollment schools.

School	Staff position funded by SEGC set-aside	FTE
Harrison Park	Assistant Principal	1.4
Harrison Park	Interventionist or other teacher	1
Harrison Park	ELD teacher	0.5
Harrison Park	ELD EA	0.22
Marysville	Social Worker or Counselor	0.5
Clark	Assistant Principal	0.7
Bridger Creative Science	5th grade teacher	1
Bridger Creative Science	ELD teacher	0.5
Hosford	SS/AVID for 6th Grade	1
Lane	Teacher for 6th grade	1
Lent	Instruct Specialist, Biling Intervention or EA	1
Lent	Kindergarten teacher	1
Whitman	Part of EA to support 3rd grade	0.18
	TOTAL	**10**

OUTCOME GOALS: INITIAL ASSESSMENT

SEGC Phase I and Phase II impacts will emerge over time through analysis of school climate surveys, student outcomes and other important data not yet available. However, there are some clear, albeit initial, outcomes.

#1 Optimize Use of Facilities - Since the launch of SEGC, overcrowding is significantly reduced across Southeast schools. While pandemic-related factors and housing availability have contributed to enrollment declines in the region and district-wide, it is also clear that SEGC changes reduced crowding at Bridger, Hosford, Mt. Tabor and other schools.

Small schools, such as Lane, Whitman, Woodmere and Vestal were already a focus for concern before pandemic-era enrollment losses. Boundary changes are showing early signs of helping to off-set recent enrollment losses and should create more predictable and robust enrollment over time, which supports better school staffing.

#2 Support Middle School Redesign - With two new middle schools, all Southeast students now have access to comprehensive middle schools. This includes students who live in the Bridger Creative Science boundary, who have guaranteed transfer to Harrison Park MS if they do not wish to continue in their K-8.

A preliminary analysis of the status of MS Redesign Initiatives shows that, when compared to the prior K-8 schools, Harrison Park and Kellogg

- Provide expanded extracurricular opportunities (MS Redesign Initiative #2)
- Offer seven-period day schedule, which provides educators with consistent opportunities for planning and collaboration (MS Redesign Initiative #16)
- Have more options for creative innovative scheduling (MS Redesign Initiative #10)

#3 Minimize Program Co-Locations - Program co-location changes played a dominant role in SEGC Phase II. As a result of the coalition's work, there are fewer dual language immersion co-locations in Southeast. While co-location still exists at Atkinson (Spanish DLI), Kelly (Russian DLI) and Woodstock (Chinese DLI), there are no longer any single strand English (neighborhood) programs co-located with immersion programs.

Co-location changes by SEGC Phase

	Spanish DLI	Chinese DLI
Phase I:	Lent and Bridger Middle Grades moved to Kellogg	Harrison Park K-8 Chinese DLI program grows into middle grades
Phase II	Kellogg and Mt. Tabor programs consolidated Bridger and Lent Spanish DLI consolidated	Harrison Park and Hosford programs consolidated

NEXT STEPS/CLOSURE

Closure

- Accomplished all the goals in the Board Charge
- Facilities were remodeled to accommodate student needs
- A better distribution of programs
- More balanced enrollment numbers

Next Steps

- Continue to improve and monitor student academic achievement at all schools in SEGC
- Assess needs in other quadrants of the district to continue to align with the district Strategic Plan/PPS Re Imagined goals
- Continue to strengthen DLI programs in the district

Enrollment and Program Balancing Phase II

PORTLAND
Public Schools

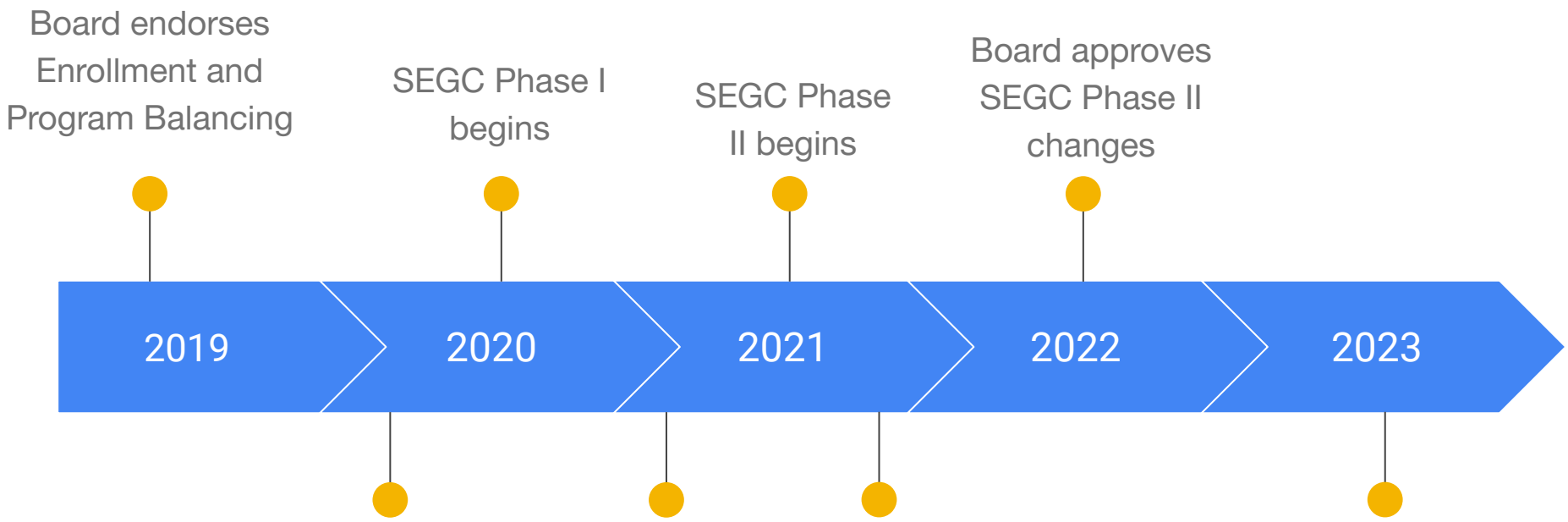
Date

Overview of Presentation

- SEGC Timeline & Phase II Changes
- Phase II Highlights
- Discussion

Additional context and details are in the appendix (Slides 10-25), but will not be presented

Enrollment & Program Balancing (EPB) & SE Guiding Coalition (SEGC) Timeline



Phase II - Significant Changes Overview

Harrison Park

- Became a 6-8
- HP K-5 moved to Clark Elementary (located at old CSS building)
- K-5 Chinese DLI moved to Clark Elementary
- 6-8 Chinese DLI moved from Hosford to Harrison Park
- 6-8 boundary change from Mt. Tabor and Roseway (only applies to 6th graders this year)

Bridger Creative Science

- Creative Science and Bridger became Bridger Creative Science K-8
- Bridger Spanish DLI moved to Lent Elementary
- Boundary changed to Atkinson/Harrison Park and Arleta/Kellogg

Additional Major Changes

- Lent became all Spanish DLI school, Neighborhood students moved to Marysville Elementary
- Mt. Tabor 6-8 Spanish DLI moved to Kellogg
- Lane grew through boundary changes with Hosford, Kellogg and Sellwood
- Whitman and Woodmere grew through boundary changes with Arleta, Lewis, Marysville and Woodstock

Engagement

Events included

- Parent and family nights focused on community and culture of the school
- Administrator and student leader visits
- Family/community listening sessions

*Estimated attendance based on family sign-in sheets.
See the complete event list here.

Community Building Events at High-Impact SEGC Schools			
School	**# of Events**	**Total # of Attendees***	**Translators/Interpreters Represented**
Bridger	2	250	Spanish, Chinese, Russian
Creative Science	5	183	Spanish, Chinese, Vietnamese
Hosford	3	25	Chinese, Russian, Somali, Spanish, Vietnamese
Kellogg	1	198	Spanish
Lent	2	236	Spanish, Chinese
Marysville	1	N/A	N/A
Mt. Tabor	1	12	Spanish
Bridger/Creative Science	1	150	Spanish, Ukrainian
Marysville/Lent	1	300	Spanish, Vietnamese, Cantonese, Somali

FTE Allocated

The PPS Board of Education created a staffing pool of 10 licensed FTE to be equitably allocated as needed over the next five years. As programs move and boundaries change from one school to another, this will allow for teams to create bridges as well as to support full programming for low-enrollment schools.

Harrison Park
- Assistant Principal (1.4)
- Interventionist or other teacher (1.0)
- ELD teacher (0.5) and EA (0.219)

Marysville - Social Worker or Counselor (0.5)
Clark - Assistant Principal (0.7)
Bridger Creative Science
- 5th grade teacher (1.0)
- ELD teacher (0.5)

Hosford - SS/AVID for 6th Grade (1.0)
Lane - Teacher for 6th grade (1.0)
Lent
- Instructional Specialist, Bilingual Interventionist or EA (1.0)
- KG teacher (1.0)

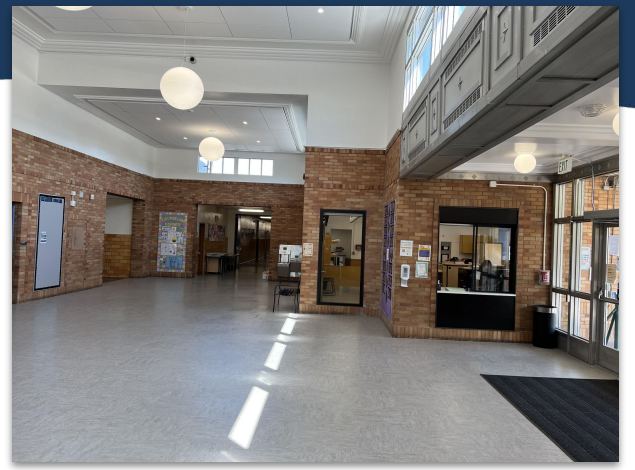
Whitman - Part of EA to support 3rd grade (0.18)

Facility Improvements

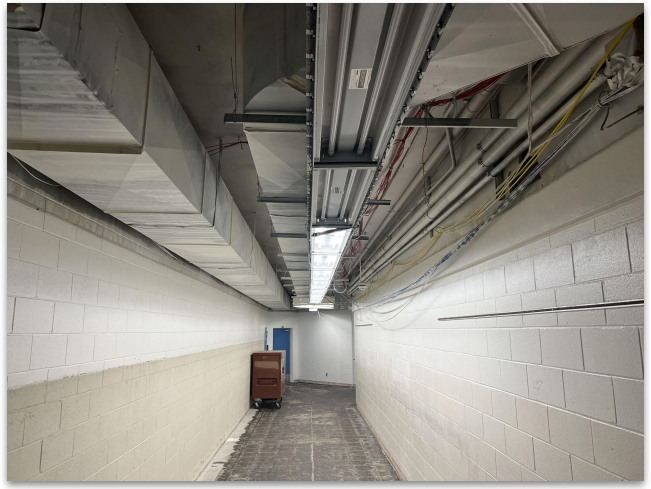
Harrison Park: Completed **Phase-1** early 2023, Included Cafeteria, Security, Administration offices and main lobby, Bike Parking.
Phase-2, started June 2023, “Mini-Mod”, Complete new Mechanical System, Heating & Cooling, Complete Classroom upgrades Technology, Finishes, Acoustics. Safety Vestibule, STEAM Lab & Science Classrooms, Full Sprinkler System, SPED Classroom, ADA Restrooms, Additional Bike Parking

Bridger CS: Locker room conversion to office spaces, storage room conversion to office space, room 32 conversion to Science room, conex box added for storage and ADA / SPED upgrades

Clark: Interior Seismic improvements and floor repair in multiple classrooms



- Harrison Park main entry-



-Harrison park interior corridor-

Transportation & Safe Routes to School

Transportation

Transportation is supporting SEGC by guaranteeing transitional service for students impacted by SEGC changes. **Transitional temporary service will be provided for:**

- Students in boundary change areas who want to stay at their 22/23 school
- All Lent DLI students living in the 22/23 Bridger attendance area
- Harrison Park DLI students living in the Woodstock attendance boundary

Safe Routes to School

PPS Safe Routes to Schools is a collaborative program between PPS, PBOT, and METRO promoting active transportation getting students safely to and from school

- Active Walking or Biking School Bus at five SEGC schools
- School Street, a car-free block open during arrival and dismissal, implemented at Kellogg.
- Neighborhood bicycling and greenway infrastructure maps created for all SEGC schools on our website

Before and After School Child Care & SUN

Access to child care and engaging after school activities was a primary concern for many parents throughout the SEGC process. New partnership agreements were forged for schools undergoing significant changes, and both SUN and childcare are provided. Transportation was arranged from Bridger Creative Science to Clark for childcare and from Marysville to Lent School after SUN programming.

Child Care

- Clark
- Bridger Creative Science
- Lent
- Marysville

SUN

- Clark (RESJ after school enrichment)
- Bridger Creative Science
- Harrison Park
- Lent
- Marysville

Thank You

&

Questions

Enrollment and Program Balancing Phase II

APPENDIX

Context

- 2019 PPS adopted an ambitious vision PPS ReImagined
  - Graduate Portrait
  - Educator Essentials
  - Educational System Shifts
    - PPS Board calls for district-wide enrollment and program balancing to address system issues related to the use of its physical facilities that impact student success

2020 EPB Scope of Work - Outcome Goals

#1 Optimize Use of Facilities

#2 Support Middle School Redesign

#3 Minimize Program Co-Locations

Southeast Guiding Coalition - Phases I and II

- **Board Charge: Recommend a plan to address**
  - Establish a feeder pattern for Kellogg Middle School (Phase I)
  - Attendance area and special program assignments for Harrison Park Middle School
  - Relocating K-5 students and programs currently served at Harrison Park
  - Increasing enrollment at Lane Middle School

- **Programmatic Guidelines**
  - Preferred middle school enrollment above 500 students
  - Preferred elementary school enrollment above 270 students
  - Avoid moving boundaries across major arterial streets where possible
  - Eliminate single-strand English-scholar programs on campuses with co-located program
  - Consolidate as many DLI programs as possible, prioritizing future locations closest to where native speakers reside

Phase II Enrollment Issues Impacting Black and Indigenous Students

- **Lack of access to a comprehensive middle school**
  - Harrison Park and Bridger neighborhood students
- **School enrollment below minimum targets:**
  - Limits opportunity to access a broad range of instructional programs, including electives
  - *Marysville, Whitman, Woodmere, Vestal, Lane, Harrison Park MS*
- **Single-strand K-5 neighborhood program:**
  - Limits opportunities for professional development, mixing up student cohorts from year to year, and may lead to lower outcomes for underserved students
  - *Bridger neighborhood, Lent neighborhood*

Schools Impacted
Pre-SEGC configurations

K- 5 Schools	K-8 Schools	6-8 Schools
• Atkinson • Glencoe • Lewis • Vestal • Whitman • Woodmere • Woodstock	• Arleta • Bridger • Creative Science • Creston • Harrison Park • Lent • Marysville	• Hosford • Kellogg • Lane • Mt Tabor • Roseway Heights • Sellwood

Phase II High Impact Schools
• Bridger • Creative Science • Clark • Harrison Park • Hosford • Lent • Marysville • Mt Tabor

Recommendation Report

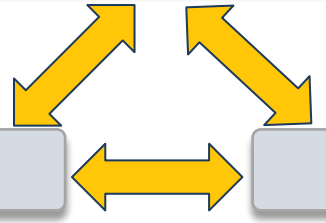
Evaluation Feedback Summary: Key Factors for votes on Program Placement		
Members who voted "Yes"	**Members who voted "Yes with Caveats"**	**Members who voted "No"**
• **Spanish remains at Kellogg:** Keeping the intentional staffing and wraparound supports designed for Spanish DLI meets the needs of students enrolled in the program, including native speakers • **Enrollment balance:** Most K-5 schools hit 270 target, increased enrollment for high poverty schools including Lane, Harrison Park has opportunity to grow through DLI program • **Whole-school DLI:** Model serves Latinx students at Lent • **Consolidated Middle School DLI:** multiple strands at each middle school for robust programs • **Increased racial diversity**	• **Enrollment concerns**: Needs increase at Harrison Park and/or decrease at Kellogg • **No Split Feeders:** Arleta and Marysville students must all remain at Kellogg • **Staffing considerations:** equitable staffing, offset loss of Title 1 • **Transitions:** Students should finish at the middle school where they started • **Spanish DLI Staffing Questions:** Mixed messages on the challenge of relocating middle school Spanish DLI; unclear whether this should be prioritized over optimal program placements	• **Lack of Long-Term Stability:** Spanish at Kellogg seen as a short-term solution • **Enrollment concerns:** proposal has a lack of options to increase Harrison Park's enrollment or decrease Kellogg's; enrollment disparity could impact equitable offerings • **Geographic Proximity:** Lack of access to closest middle school and safe routes to school for South Tabor neighborhood, especially BIPOC and low-SES students who are not in DLI • **Facility optimization:** Has the robust Spanish immersion program in the smaller, central middle school and the smaller DLI program in a large building with fewer resident students • **Scope:** Proposal doesn't include all SE schools; Current conditions don't justify the conversion of Harrison Park to a middle school • **Preferred an alternative:** E2 as a program placement starting point; not in support of all-school DLI at Lent

School Impacts

	NEW/CHANGED SCHOOL	PROGRAM CHANGE	K-8 CONVERSION	BOUNDARY CHANGE
Harrison Park MS	✅		✅	✅
Clark ES	✅			✅
Bridger Creative Science K8	✅	✅	✅	✅
Arleta ES			✅	✅
Atkinson ES				✅
Creston ES				✅
Glencoe ES				✅
Hosford MS		✅		✅
Kellogg MS	✅	✅		✅
Lane MS				✅
Lent ES	✅	✅	✅	✅
Lewis ES				✅
Marysville ES		✅	✅	✅
Mt Tabor MS		✅		✅
Roseway Heights MS				✅
Sellwood MS				✅
Vestal ES				✅
Whitman ES				✅
Woodmere ES				✅
Woodstock ES				✅

Phase II Implementation

CORE PLANNING TEAM



SEGC SCHOOLS

- Atkinson
- Glencoe
- Lewis
- Vestal
- Whitman
- Woodmere
- Woodstock
- Arleta
- Bridger
- Creative Science
- Creston
- Harrison Park
- Lent
- Marysville
- Hosford
- Kellogg
- Lane
- Mt Tabor
- Roseway Heights
- Sellwood

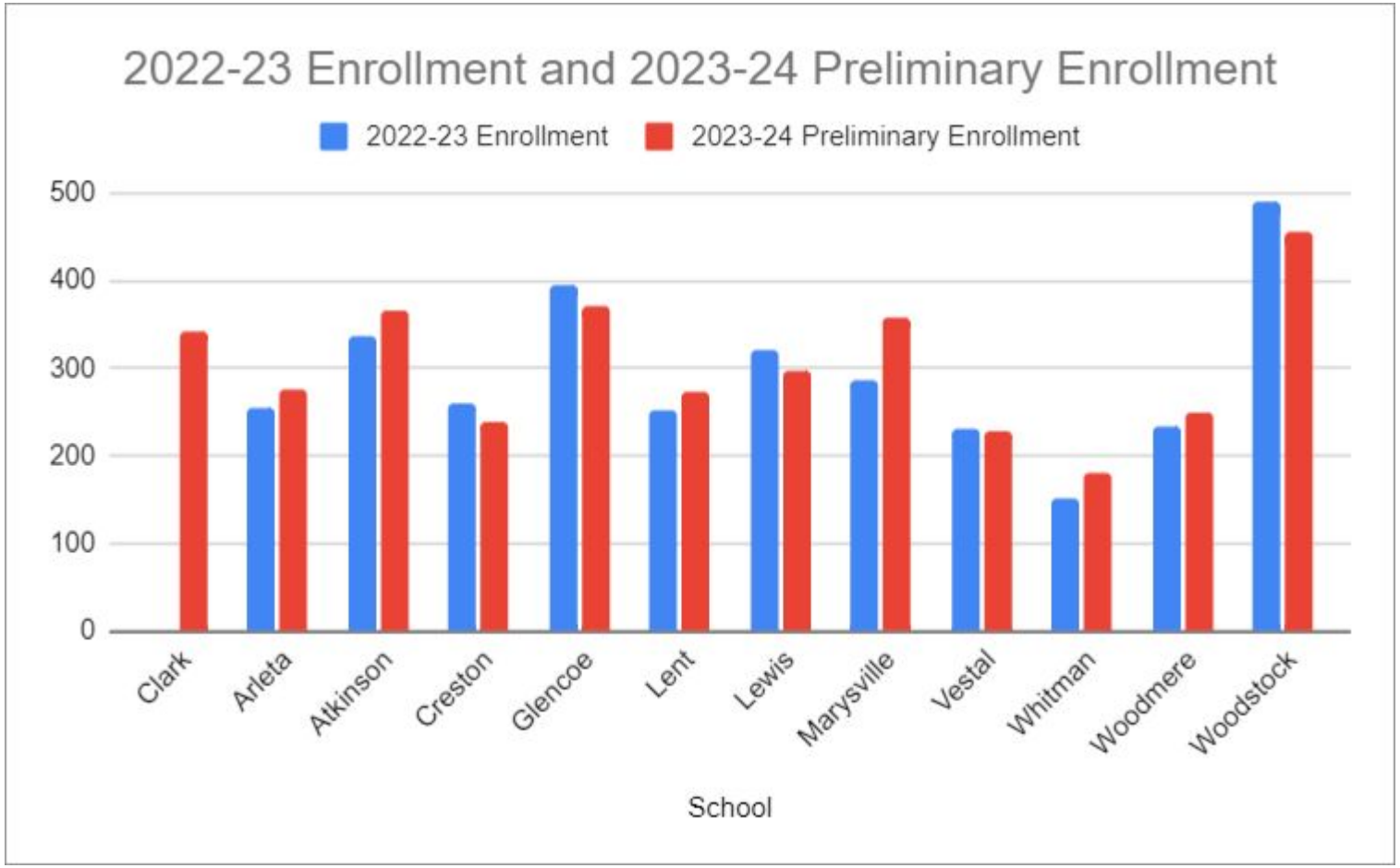
CENTRAL OFFICE DEPARTMENTS

- Office of School Performance
- Facilities and Operations
- Strategic Project Management
- Research, Assessment & Accountability
- Instructional Resource Center
- Transportation
- Safe Routes to Schools
- Childcare & SUN Services
- Family Engagement
- Human Resources
- Enrollment and Transfer
- Library Services
- Nutritional Services
- Transportation
- Safe Routes to Schools
- OTIS
- Accounting

Enrollment

Enrollment at K-5 SEGC-impacted schools

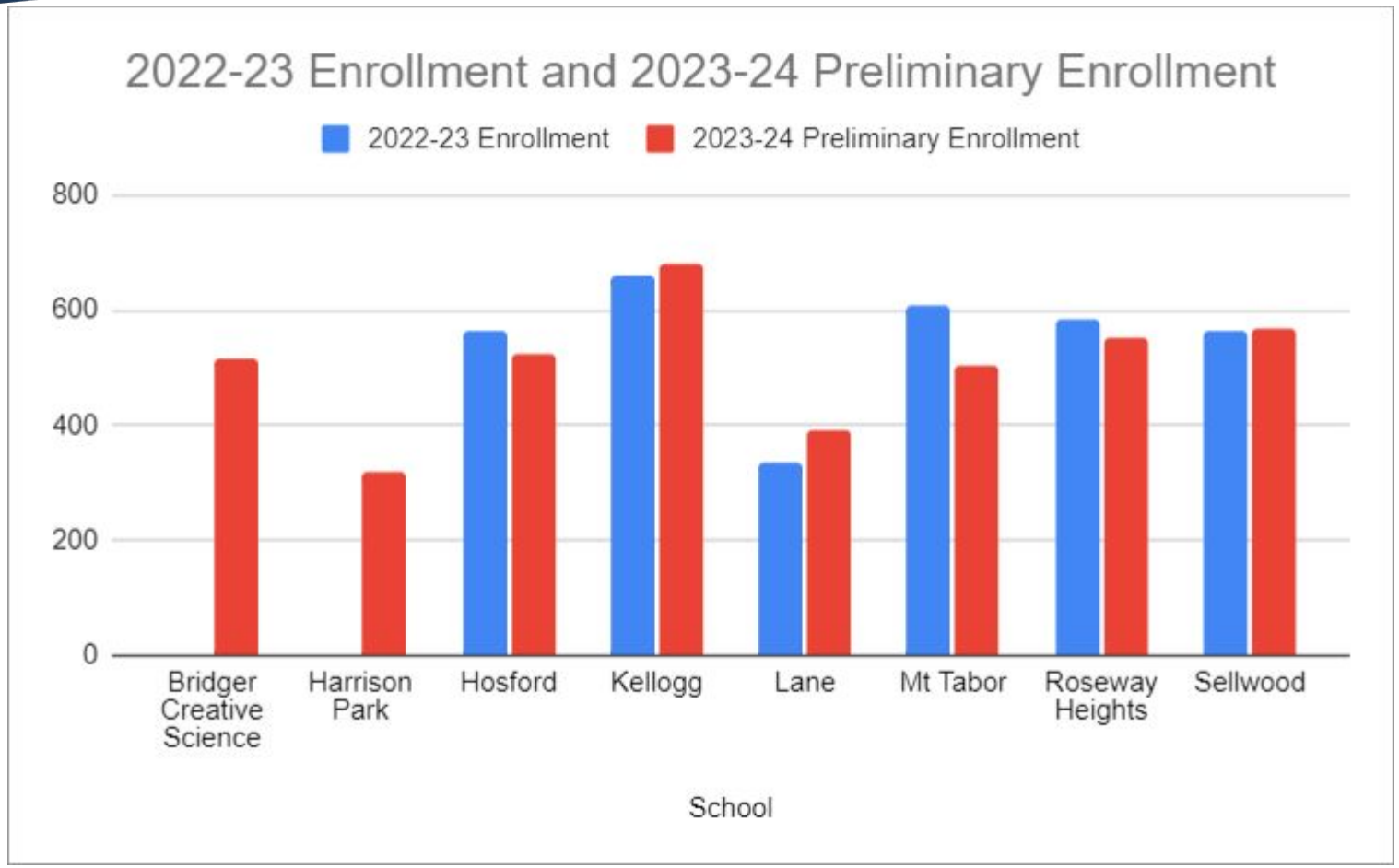
Full impact of boundary changes takes six years



Enrollment

Enrollment at K-8 and 6-8 SEGC-impacted schools

Full impact of MS boundary changes takes three years



Safe Routes to Schools

PPS Safe Routes to Schools is a collaborative program between PPS, PBOT, and METRO promoting active transportation getting students safely to and from school

What's been done at our SEGC schools:

- 12 SEGC schools participated in International Walk & Roll to School Day on 10/4 (Arleta, Atkinson, Bridger Creative Science, Creston, Glencoe, Kelly, Lent, Lewis, Marysville, Vestal, Whitman, Woodstock)
- Pedestrian and Bicycling Safety Education at Glencoe, Lewis, and Woodmere
- Active Walking or Biking School Bus at five SEGC schools
- School Street, a car-free block open during arrival and dismissal, implemented at Kellogg.
- Neighborhood bicycling and greenway infrastructure maps created for all SEGC schools on our website https://www.pps.net/Page/20967
- Piloting 'School-Pool' (a carpooling app for families) at Bridger Creative Science

Transportation

Transportation Guarantees for SEGC Communities

Transportation is supporting SEGC by guaranteeing transitional service for students impacted by SEGC changes.

Transitional service is a temporary exception to our guidelines that will last 5 years for elementary - 2 years for Middle school - 8 years for K-8.

Transitional service will be provided for:

- Students in boundary change areas who want to stay at their 22/23 school
- All Lent DLI students living in the 22/23 Bridger attendance area
- Harrison Park DLI students living in the Woodstock attendance boundary

Impact on Transportation:

- Two vehicles added to our fleet at a total annual cost of $220,000

Outcome Goals

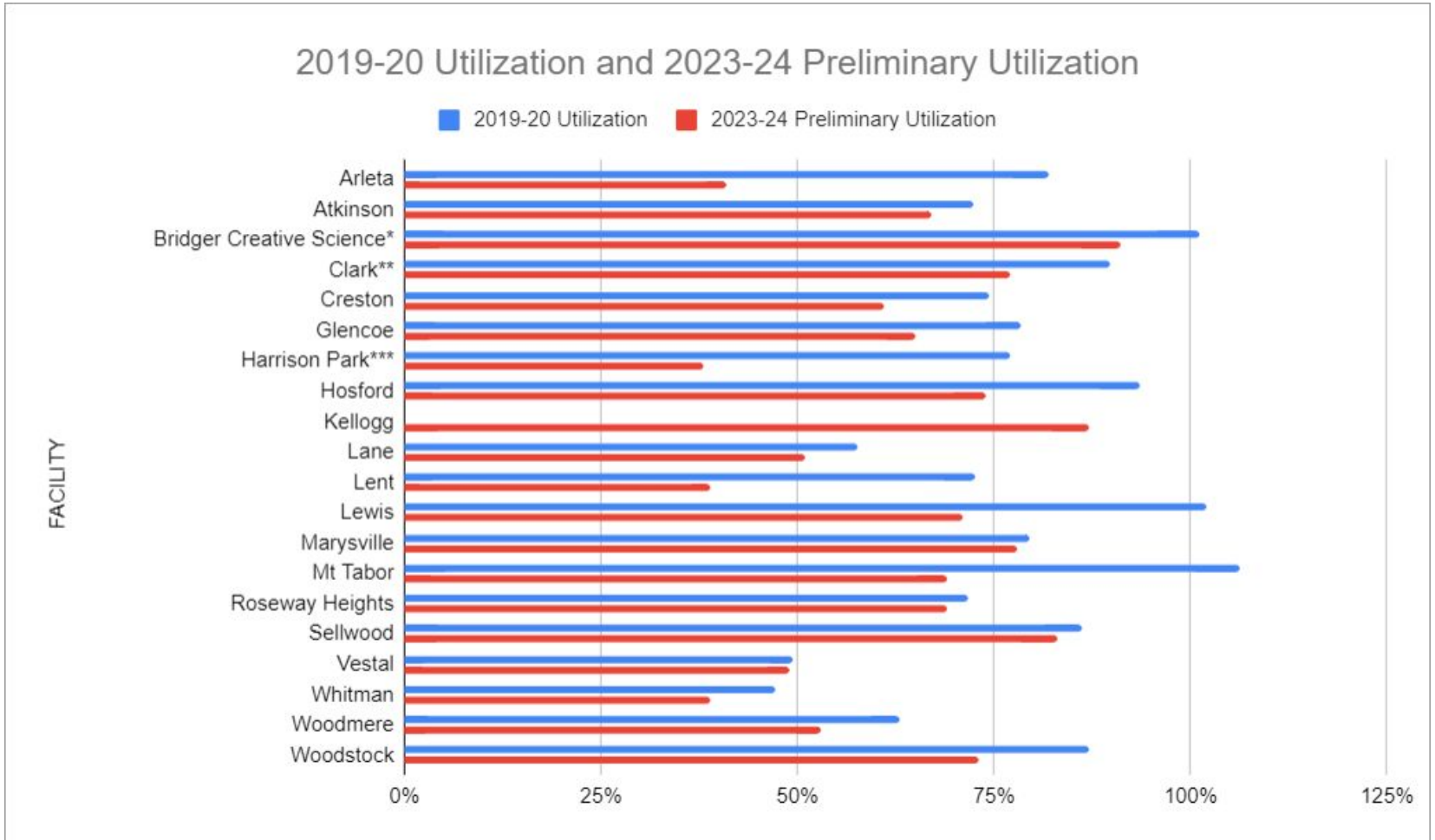
#1: Optimize Use of Facilities

When compared to pre-SEGC data:

-No overcrowded schools

-Schools like Lane, Whitman and Woodmere got smaller during the pandemic, but are rebounding due to boundary changes

*Bridger became Bridger Creative Science
**Clark was Creative Science
***Harrison Park was a K8, now a MS



Outcome Goals

#2 Support Middle School Redesign

All Southeast students have access to comprehensive middle school programming

When compared to the former K-8s, both Harrison Park and Kellogg

- Provide expanded extracurricular opportunities (MS Redesign Initiative #2)
- Offer seven-period day schedule, which provides educators with consistent opportunities for planning and collaboration (MS Redesign Initiative #16)
- Have more options for creative innovative scheduling (MS Redesign Initiative #10)

Learn more about MS Redesign at
sites.google.com/pps.net/middle-grades-redesign/home

Outcome Goals

#3 Minimize Program Co-Locations

No single strand English (neighborhood) classrooms remain in Southeast

- Lent is now full-school Spanish Immersion
  - Phase II: Bridger and Lent Spanish DLI consolidated
- All Southeast MS Spanish Immersion now at Kellogg
  - Phase I: Lent and Bridger Middle Grades moved to Kellogg
  - Phase II: Kellogg and Mt. Tabor programs consolidated
- All Southeast MS Chinese Immersion now at Harrison Park
  - Phase I: Harrison Park K-8 program grows into middle grades
  - Phase II: Harrison Park and Hosford programs consolidated

- Co-location remains at Atkinson (Spanish DLI), Kelly (Russian DLI) and Woodstock (Chinese DLI)

Portland Public Schools
501 N Dixon St. / Portland, OR 97217

STAFF REPORT

Date: December 14, 2023

To: School Board

From: Mary Kane, Senior Legal Counsel

Subject: Proposed new policy- Ethics and Conflict of Interest Policy xx.xx.xxx-P

BACKGROUND

A proposal to adopt this new policy was heard and discussed by the Policy Committee during September-December 2023. The recommendation was made for a new policy on government ethics, and the District considers it best practice.

ANALYSIS OF SITUATION

Oregon Revised Statutes Chapter 244 are the laws relating to government ethics for public officers and employees. District officials and staff members currently follow ethics laws. The new policy is recommended to help translate statutory language into a user-friendly guidance for District staff.

FISCAL IMPACT

There is no fiscal impact.

COMMUNITY ENGAGEMENT

There was no community engagement other than discussion in the Policy Committee public meeting.

STAFF RECOMMENDATION

Staff recommends the adoption of this policy.

ATTACHMENTS

A. Ethics and Conflict of Interest Policy x.xx.xxx-P

Board Policy x.xx.xxx-P

Ethics and Conflict of Interest Policy

1. Purpose

Board members and employees are expected to perform the District's business with integrity and accountability to the law and the community we serve; as responsible stewards of the District's resources; and without undue or the perception of undue influence in the performance of our jobs. Board members and employees have been entrusted with the important task of educating our community's children and should strive to live up to the highest ethical standards.

This policy establishes ethical standards of conduct for Board members and employees, whether elected or appointed, paid or unpaid, and sets forth conduct that is incompatible with such standards. Violations of this policy may subject employees to discipline, up to and including dismissal.

2. Definitions

"Actual Conflict of Interest" means any action, decision, or recommendation by a person acting in a capacity as a District representative, the effect of which is to the private financial benefit or avoidance of financial detriment to the person or the person's relative(s) or any business with which the person or a relative of the person is associated unless the financial benefit or detriment arises out of the following:

a) An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
b) Any action in the person's official capacity, which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person's relative or business with which the person or the person's relative is associated, is a member or is engaged.
c) Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.

"Confidential Information" means specific information, rather than generalized knowledge, that is shared only with a specific person or persons within the District, including information made confidential by law.

Board Policy x.xx.xxx-P

Ethics and Conflict of Interest Policy

“District action” means (i) a decision, determination, finding, ruling, purchase order, grant, payment, award, license, contract, transaction, sanction, approval or denial, authorization, or other similar action, or (ii) any proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other such matter that the Board member or employee believes, or has reason to believe, is one to which the District is, or will be a party or is one in which the District has a direct and substantial interest.

“Gift or Gratuity” means anything with an aggregate value in excess of $50 to a Board member or District employee from any single source in a calendar year that has a legislative or administrative interest in any matter subject to the decision, authorization, or vote of that Board member or District employee.

“Member of household” means any person who resides with the District employee or Board member.

“Potential Conflict of Interest” means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which could be to the private financial benefit or detriment of the person or the person’s relative, or a business with which the person or the person’s relative is associated, unless the financial benefit or detriment arises out of the following:

a) An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
b) Any action in the person’s official capacity, which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person’s relative or business with which the person or the person’s relative is associated, is a member or is engaged.
c) Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.

“Participate” means to personally and substantially consider, investigate, advise, recommend, approve/disapprove, authorize, decide, or take other similar action.

“Reasonable travel expenses” are those expenses that either (1) do not exceed the District-established per diem for travel or (ii) are otherwise reimbursable under District policy.

Ethics and Conflict of Interest Policy

"Relative" means spouse or domestic partner, child, step-child, parent, step-parent, sibling, step-sibling, child-in-law of the employee; or the parent, step-parent, sibling, step-sibling, son-in-law or daughter-in-law of the spouse of the employee. Relative also includes any individual for whom the employee has a legal support obligation, whose employment provides financial benefits to the employee, or who receives any direct benefit from the employee's public employment.

3. Code of Ethics

All Board members and District employees shall act with trust, equity, and accountability.

a. Trust. All Board members and District employees shall treat their office as a public trust. They should avoid the appearance of impropriety and conflicts of interest, and take District Actions and implement policies in good faith as equitably as possible.

b. Equity. Board members and District employees will create an inclusive environment that reflects and supports the racial and ethnic diversity of our student population, employees, and community.

c. Accountability. Board members and employees will strive to carry out their work efficiently and transparently.

4. Gifts

State law limits Gifts and Gratuities to Board members or employees, their relatives, and members of their household. Gift or gratuity does not include the following items:

a. Anything of value that is received as District property and used for District purposes (such as textbooks and classroom supplies);

b. Discounts available to an individual as a member of an employee group, occupation or similar broad-based group;

c. A plaque, trophy, or other honoraria;

d. Unsolicited awards for professional achievement;

e. Reimbursement to the District for enrollment and course fees and reasonable travel expenses incurred by the District in connection with a Board member's or employee's speech, presentation, or appearance made in an official capacity; provided that the reimbursement is memorialized in writing;

f. Campaign contributions that are solicited or received and reported by an elected official or candidate in accordance with applicable law; and

g. Employee or Board compensation.

5. **Conflicts of Interest.**

All Board members and District employees must disqualify themselves from participating in District Actions in which they have an actual conflict of interest.

This means, among other things, that:

a. Use of Position. Board members and District employees may not use their position to obtain financial gain or avoidance of financial detriment for themselves, as well as for their relatives and members of their households. Additionally, Board members are prohibited from being compensated by the District as an employee or contractor, and no Board member or employee may benefit under any District contract for which they participated in the authorization for two years following Board service or employment, respectively.

b. Sale of instructional or training materials. Employees may not claim, promote, or sell instructional, training, or other materials and/or equipment to third parties developed on District time or District property nor may they promote or sell instructional, training, or other materials they developed on their own time to the District. Exceptions may be granted under exceptional circumstances with the written consent of the Superintendent.

c. Confidential Information. Board members and employees may not use confidential information gained in the course of or by reason of their position or activities for personal gain or advantage to them or their relatives or members of their household.

d. Interest in Contracts. Board members and employees, along with their relatives and members of their household, may not take District Action related to any District contract for which they have a financial interest.

e. Use of District Time. A District employee may not perform any duties related to an outside job during their regular scheduled or actual working hours unless leave is approved pursuant to District procedures; nor may an employee use any District facilities, equipment, resources or materials in performing outside work.

Retaliation Prohibited. Retaliation or threats of retaliation, both direct and indirect, for good-faith reporting of possible violations of this policy or ORS chapter 244 are prohibited. Any employee found to have engaged in any such conduct shall be subject to disciplinary action.

Notice.

1. Board Member. If a Board member has a potential or actual conflict of interest, they should state the conflict at the meeting when the agenda item is raised.

2. Employee. If an employee has an actual conflict of interest, they must notify a supervisor in writing of the nature of the conflict. The supervisor should assume responsibility for or reassign the matter creating the conflict. If an employee has a potential conflict of interest, they should notify a supervisor in writing of the nature of the potential conflict of interest, and the supervisor will determine if any reassignment of the matter creating the potential conflict is appropriate.

6. **Avoiding the Appearance of Conflicts of Interest**

Board Members and District employees should avoid the appearance of a conflict of interest when feasible.

7. **Complaints Against Employees**

Concerns that an employee is engaged in a District Action for which they have an actual conflict of interest shall be reported to the employee's supervisor (who should report it to Human Resources) or Human Resources. If the employee is the Superintendent, the concern shall be raised to the Board Chair.

Board Policy x.xx.xxx-P

Ethics and Conflict of Interest Policy

8. Annual Training for Board Members and Senior District Leadership

Each year, Board members and senior District staff members shall complete a District-sponsored training on ethics, including conflicts of interest, public meetings laws, and public records laws. Each Board member and senior District staff shall certify in writing completion of the training.

Legal Reference: ORS Chapter 244
History: Adopted __/2024

PORTLAND PUBLIC SCHOOLS

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2000
Mailing Address: P. O. Box 3107 / 97208-3107

STAFF REPORT

Date: December 14, 2023

To: School Board

From: Emily Courtnage, Director of Purchasing & Contracting

Subject: 2024 Update to Public Contracting Rules

Background

In 2010, Portland Public Schools developed and adopted a substantial and comprehensive revision to its Public Contracting Rules ("Rules"). These Rules were updated in 2012, 2016, and 2019 to reflect legislative changes to the state Public Contracting Code (ORS Chapter 279A, 279B, and 279C) and revisions to the Attorney General's Model Public Contracting Rules ("Model Rules"). An update and revision to the District's Public Contracting Rules is necessary to reflect legislative changes made to the Public Contracting Code in 2023, as well as improve internal alignment, efficiency, and effectiveness of the District's purchasing processes, as further detailed below.

The Policy Committee of the School Board discussed these changes on October 11, 2023 and December 11, 2023. At the December meeting, the Policy Committee voted to refer this policy revision to the full Board.

Summary of Changes and Updates to Public Contracting Rules

I. Updates to Reflect 2023 Legislative Changes Effective January 1, 2024

a. Updates to Competitive Procurement Thresholds

In the spring of 2023, the Oregon legislature adopted the following changes to competitive procurement thresholds that had been in place for well over a decade:

1. Raised the small procurement threshold (*i.e.*, the dollar amount below which no competition is required) from $10,000 to $25,000 for Construction contracts
2. Raised the small procurement threshold for Goods and Services contracts from $10,000 to $25,000

3. Raised the formal procurement threshold (*i.e.*, the dollar amount above which the District must conduct a formally advertised, public Request for Proposals or Invitations to Bid solicitation process) for Goods and Services contracts from $150,000 to $250,000

Per Senate Bill 1047, these changes to the Oregon Public Contracting Code are effective January 1, 2024. Staff recommends updating the District's Public Contracting Rules to reflect these legislative changes on or as soon as possible after January 1, 2024. See PPS 47-0250(c) and (d).

Local Contract Review Boards (at Portland Public Schools, this is the School Board) have discretion to adopt their own thresholds for Personal Services contracts. (Personal Services are those services that "require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the expertise of discretional judgment skills, and for which the quality of Services depends on attributes that are unique to the service provider." PPS 46-0500(2)). The District's current formal procurement threshold for Personal Services contracts is $150,000, which was made to align with the existing Goods and Services formal procurement threshold established by the legislature in 2003. Staff recommends increasing the District's formal procurement threshold for Personal Services to $250,000 to align with the new 2023 legislative update to the formal procurement threshold for Goods and Services.[1] See PPS 46-0505. These changes will also align with the formal procurement thresholds applicable to (1) procurements for contracts expending federal grant or pass-through funds, and (2) procurements for architecture, engineering, and related services contracts.

b. Other Minor Updates to Oregon Public Contracting Code and the Attorney General's Model Public Contracting Rules

Staff recommends the following additional changes to bring the District's Public Contracting Rules into alignment with new legislation and the Attorney General's Model Rules. Staff recommends adhering to the Model Rules language throughout the District's Public Contracting Rules, as the Model Rules promote consistency across Oregon public agencies, ease of administration and interpretation by staff, and common expectations among contractors who work with Oregon public agencies.

(1) Adoption of the Model Rule regarding the informal selection procedures for Architecture, Engineering, and Related Services contracts not exceeding $250,000 (PPS 48-0210)

(2) Adoption of a new Model Rule in the Attorney General's Model Rules regarding protests and judicial review of qualified products lists decisions (PPS 47-0745)

(3) Change to the Public Hearing mandate for exemptions from competitive bidding for public improvement contracts (PPS 49-0630(7). In 2021, the Oregon legislature amended ORS 279C.335(5) to require that interested parties must be given an opportunity to request a hearing. The District no longer needs to hold a public hearing unless one is requested. The Board will continue to vote on all requests for exemption from competitive bidding and use of alternative contracting methods for public improvement projects (such as Request for Proposals or Construction Manager/General Contractor).

[1] $150,000 in 2003 is equivalent to $257,802 in 2024.

(4) Numerous minor language changes and additions throughout to ensure alignment with Model Rules.

II. Update to Reflect Changes in Pricing/Buying Power

a. Raise Informal Procurement Threshold for Personal Services Contracts from $50,000 to $75,000 (PPS 46-0525(1))

Staff recommends increasing the threshold at which a three-quote or informal request for proposals process is required for Personal Services contracts. The $50,000 threshold has been in place for over a decade, during which time the buying power of $50,000 has significantly decreased. Further, if the Board raises the formal procurement threshold for Personal Services from $150,000 to $250,000, as described above, it makes sense to also shift the informal procurement threshold. With these changes, Personal Services contracts could be negotiated without competition if $75,000 or less, with a three-quote or informal Request for Proposals process if between $75,001 and $250,000, and with a formal, publicly advertised Request for Proposals process if above $250,000.

III. Removal of Administratively Burdensome Mandates That Do Not Align with the Oregon Public Contracting Code or Attorney General's Model Rules

a. Removal of the Amendment Cap for Personal Services contracts (PPS 46-0535(4))

In 2016, the Board adopted an amendment cap for Personal Services contracts that prohibits contract amendment to add scope or funds that would cause the total contract price to exceed 125% of the original contract price except in limited circumstances. See PPS 46-0535(4). This arbitrary amendment cap is not required by or included in the Oregon Public Contracting Code or the Model Rules. In the years since this cap has been in place, staff has observed significant, unintended adverse consequences of this amendment cap:

(1) In many cases, a small contract (*e.g.*, for a few sessions of professional development or a few hours of artist-in-residence time with students) cannot be amended to add additional days or sessions when it is determined that such addition is in the District's and/or students' interests. This forces the requesting school or department to draw up a new contract to add, for example, one new session at $300 to a $1000 contract. This strict rule serves no purpose but does add paperwork, time delay, and administrative burden.

(2) The rule encourages a series of contracts with the same contractor rather than a single amended contract with additional scope. As such, it can inadvertently promote skirting of competitive procurement thresholds and/or Board approval processes that would apply to any single contract with an amendment that caused it to cross a competitive procurement or Board approval threshold. For example, a $120,000 personal services contract amended to add an additional $35,000 would cross the current $150,000 Board approval threshold, as well as the formal procurement threshold. Purchasing & Contracting staff would review the proposed amendment for procurement compliance and put the amendment on the next Board contracts agenda. With the amendment cap in place preventing such amendment, the originating contract manager is likely to simply submit a new contract with the same contractor for $35,000,

and such a low-dollar contract will likely not be funneled through the Board approval process or reviewed for formal procurement threshold compliance.

Staff has been unable to identify any countervailing positive results of the amendment cap and therefore recommends removing it.

IV. New or Revised Direct Negotiation and Special Class Procurement Rules

a. New Rule to Allow Direct Negotiation of Medical Services (46-0525(14))

Staff recommends that the Board adopt a new rule allowing direct negotiation of contracts "for services provided by those in the medical community including, but not limited to, doctors, physicians, psychologists, nurses, laboratory technicians and those with specific license or unique skill to administer treatments for the health and well-being of people." In practice, the District always exempts medical services from competition under PPS 46-0525(3) (allowing direct negotiation where "the work is not project-driven but requires an ongoing, long term relationship of knowledge or trust") or PPS 46-0525(4) (allowing direct negotiation where "the contractor possesses unique knowledge and/or expertise in a specialized service area, making competition impractical"). However, both of these more general exceptions require direct negotiation justification paperwork to explain the applicability of one or more of these provisions. To cut down on unnecessary paperwork, staff recommends adopting a clear direct negotiation rule for medical services. The language of the rule is taken from a similar direct negotiation rule adopted by Metro.

b. Revised Special Class Procurement Rules for Copyrighted Materials and Creative Works (PPS 47-0288(4)) and Software and Hardware Maintenance, License, Subscriptions, and Upgrades (PPS 47-0288(11))

Staff recommends updating the District's special class procurement rule allowing direct purchase without competition of copyrighted materials and creative works to more clearly cover curriculum materials in all modern electronic forms. Contracts for the procurement and distribution of textbooks have long been exempted from the Public Contracting Code per Oregon statute (ORS 279A.025) and PPS Public Contracting Rule (PPS 46-0130). However, over time the use of traditional textbooks has diminished as the use of digital and online curriculum resources has increased, and this special class procurement was adopted to reflect that modern reality. The revision to this special class procurement clarifies the language to ensure it covers all curriculum materials that are available from only one source.

For similar reasons, staff recommends updating the District's special class procurement rule allowing direct purchase without competition of software and hardware licenses and subscriptions available from only one source. The revision clarifies the language to ensure it covers all digital resources, including cloud-based programs and applications.

ATTACHMENTS

A. Redline of 2019 Public Contracting Rules

PORTLAND PUBLIC SCHOOLS

~~2019~~2024 PUBLIC

CONTRACTING RULES

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PPS DIVISION 45

DISTRICT CONTRACTS GENERALLY

PPS 45-0000 Generally

Except as expressly provided in other School Board Policies, PPS ~~Divisions~~divisions 45, 46, 47, 48, and 49 (collectively, the "Portland Public Schools Public Contracting Rules") govern all District Contracts. These ~~Division~~division 45 ~~Rules~~rules address delegation of contracting authority under ORS 279A.075 and 332.075, Ethics in Contracting, and ~~Procurement~~procurement from Qualified Rehabilitation Facilities. Divisions 46, 47, 48, and 49 govern Public Contracts as defined in ORS ~~Chapters~~chapters 279A, 279B, and 279C (the Public Contracting Code). Except as otherwise expressly provided in School Board Policy or these ~~Rules~~rules, these ~~Division~~division 45 ~~Rules~~rules apply to all District Contracts, including Public Contracts as defined in the Public Contracting Code.

PPS 45-0100 Definitions

As used in the Public Contracting Code and ~~Divisions~~divisions 45, 46, 47, 48, and 49 of these ~~Rules~~rules, and except as otherwise provided in School Board Policy:

(1) "District Contract" means all Contracts entered into by the District, including Public Contracts subject to the Public Contracting Code and ~~Divisions~~divisions 46, 47, 48, and 49, and all other Contracts or agreements entered into by the District. For the purpose of these Public Contracting Rules, "District Contract" does not include settlements of lawsuits or other claims against the District that continue to be governed by Board Policy 8.60.021-P, or the purchase, conveyance, acceptance, sale, or lease of real property or an interest in real property.

AUTHORITY TO APPROVE AND EXECUTE DISTRICT CONTRACTS

PPS 45-0200 Authority to Approve District Contracts; Delegation of Authority to Superintendent

(1) The District is the Contracting Agency within the meaning of the Public Contracting Code.

(2) Except as otherwise provided in these ~~Rules~~rules, the powers and duties of the Local Contract Review Board under these ~~Rules~~rules shall be exercised and performed by the School Board, and the powers and duties of the District under the ~~Rules~~rules shall be exercised and performed by the Superintendent.

(3) Except as provided in ~~Section~~section (4) of this ~~Rule~~rule or as otherwise expressly authorized in these ~~Rules~~rules, the School Board ~~must~~shall approve all District Contracts.

(4) Pursuant to ORS 279A.075 and 332.075(3), and except as expressly limited by other School Board Policy, the School Board delegates to the Superintendent the authority to enter into and approve payment on District Contracts in the following circumstances:

- **(a)** The District Contract is within appropriations made by the School Board and is not a collective bargaining agreement or a Service Contract that includes the provision of labor performed by employees of the School District, as defined in ORS 332.075(3); and
- **(b)** In any of the following circumstances:
  - **(A)** The total amount payable by the District under the individual District Contract does not exceed $150,000;
  - **(B)** The District Contract is for routine and customary expenditures, including but not limited to payroll, payroll taxes and benefits, utility bills, and postage;
  - **(C)** Advance authorization has been given by the School Board for the Superintendent to execute a particular District Contract or class of District Contracts;

(D) The District Contract is an Emergency ~~Procurement~~procurement;

(E) The District Contract is a ~~Change Order~~change order or Contract amendment to a prior-approved Contract authorized under these ~~Rules~~rules;

(F) An offer of judgment made in the course of litigation in with the District is a party when the Superintendent and general counsel determine that such an offer is in the best interest of the District or is to the District's tactical advantage; or

(G) These ~~Rules~~rules otherwise expressly authorize the Superintendent to approve the Contract.

(5) The Superintendent may designate in ~~Writing~~writing any District employee or employees to exercise all or a portion of the Superintendent's powers and duties under these ~~Rules~~rules.

(6) If the Superintendent authorizes an offer of judgment pursuant to PPS 45-0200(4)(b)(F) in an amount exceeding $25,000, the superintendent shall request that the general counsel draft a lawyer-client privileged memo to the School Board to explain the legal basis for the offer of judgment.

(7) No district employee or official shall authorize and no contractor shall undertake any work under a district contract prior to full execution of the contract by all authorized signatories. Notwithstanding the forgoing, the Superintendent may authorize work to begin under a contract prior to full execution in the following circumstances:

(a) The contract is an intergovernmental agreement pursuant to ORS ~~Chapter~~chapter 190, the parties have agreed in principal to the terms of the contract, and the only remaining step is circulation of the Contract for approval; or

(b) The contract is an amendment that is subject to approval of the Board of Education because it will increase the cost of the contract above the superintendent's contract approval authority, but the Board approval process will cause a delay in work completion that will prevent timely delivery of essential services. For the purposes of this exception, "essential services" means goods, services, personal services, or construction services necessary for a school to open on time, a class to start on time, a class or program to complete on time, to comply with conditions of grant that is otherwise at risk of loss, or other services critical to timely and complete education of district students. The Superintendent will only authorize such work in cases where the delay is caused by factors outside of the District's control and that could not have been identified when the contract was first negotiated.

ETHICS IN CONTRACTING

PPS 45-0300 Policy

These ~~Rules~~rules supplement and do not replace the Oregon Government Ethics Law (ORS 244.010 through 244.400). These ~~Rules~~rules are designed to accomplish the policy of ORS 244.010 that service as a public official is a public trust and that implementation of District Contracting under these ~~Rules~~rules and the Public Contracting Code should be free of undisclosed conflicts or undue influence.

PPS 45-0305 Ethics in the Solicitation and ~~Award~~award of District Contracts

District officers who participated in the process of development, selection, and ~~Award~~award of District Contracts ~~must~~shall comply with the following ~~Rules~~rules:

(1) Definitions:

(a) **"Business"** means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, and any other legal entity operated for

economic gain, but excluding any income producing, not-for-profit corporation that is tax exempt under ~~Section~~section 501(c) of the Internal Revenue Code with which the District officer or relative is associated only as a member or board director or in a non-remunerative capacity. If the business is privately held, the District official or relative is "associated with the business" if the Person is a director, officer, owner, or employee, or in which the Person owns or has owned stock, debt instruments, stock options, or other form of equity interest worth more than $1,000 in the preceding calendar year. If the business is publicly held, the District official or relative is "associated with the business" if the Person is a director or officer or owns or has owned $100,000 or more of stock, debt instruments, stock options, or other form of equity interest in the preceding calendar year. If the District official is required to file a statement of economic interest, "business" also includes a business listed as a source of income as required under ORS 244.060(3).[1]

(b) "Conflict of interest" means any action, decision, or recommendation by a District officer in the course of participating in a ~~Procurement~~procurement under these ~~Rules~~rules that would ("actual conflict of interest") or could ("potential conflict of interest") be to the private pecuniary benefit or detriment of the District officer, a relative of the District officer, or a business with which the District officer or relative is associated. For the purpose of this requirement:

(c) "District officer" means any person who is serving the District as an elected official, appointed official, employee, or agent, whether or not the person is compensated for those services.

(d) "Gift" means something of economic value given to a public official or the public official's relative without an exchange of valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or the relatives of public officials on the same terms and conditions. "Gift" also includes something of economic value given to a public official or the public official's relative for valuable consideration less than that required from others who are not public officials.

(e) "Relative" means:

(A) The District officer's spouse or domestic partner;

(B) Children of the District officer, spouse, or domestic partner;

(C) Siblings, spouses of siblings, or parents of the public official, spouse, or domestic partner;

(D) Any individual for whom the District officer has a support obligation;

(E) Any individual for whom the District officer provides benefits related to the public official's public employment or from whom the District officer receives benefits; and

(F) Any person who resides with the public official.

(2) Disclosure of Conflict of Interest Required. Any District official participating in a District ~~Procurement~~procurement, whether for ~~Goods and Services~~goods or services, Personal ~~Services~~services, Public Works, Public Improvements, or any other District Contract shall disclose actual or potential conflicts of interest.

(a) Appointed District Officials. An appointed District official ~~must~~shall disclose actual or potential conflicts of interest in ~~Writing~~writing to the District official's appointing authority (the person who has hire-and-fire authority over the official). This ~~Writing must~~writing shall disclose the nature of the conflict and request the appointing authority to dispose of the matter. The

[1] The only District officials required to file a statement of economic interest are the Superintendent and the chief financial officer.

appointing authority shall respond in ~~Writing~~writing by designating an alternate to dispose of the matter or directing the District officer to dispose of the matter as directed by the appointing authority.

(b) Elected District Official or Officials Who Serve on Advisory Boards or Commissions. Such District officials shall publicly announce an actual or potential conflict of interest prior to taking any action on the matter giving rise to the conflict. If the conflict is an actual conflict of interest, the public official ~~must~~shall refrain from participating in the decision or discussion of the issue. If the conflict is only a potential conflict of interest, the public official may participate in the debate and decision following disclosure of the potential conflict.

(3) Gifts. District officers are prohibited from soliciting or receiving gifts with an aggregate value of in excess of $50 in a calendar year from any single source that could reasonably be known to have a legislative or administrative interest in any matter subject to the decision or vote of the District official. For the purpose of this section, a District official is considered a decision-maker in the ~~Procurement~~procurement process if he or she makes decisions or recommendations in regard to the drafting of the ~~Procurement, the solicitation~~procurement, the Solicitation process, the opening, review, or scoring of the ~~solicitation~~Solicitation, or a recommendation or decision to ~~Award~~award, correct, or reject a solicitation, or response to or resolution of a protest.

(4) Use of Office for Personal Gain Prohibited. District officers, employees, and agents are prohibited from using their official position for personal gain.

(5) Use of Confidential District Information for Gain Prohibited. District officers, employees, and agents are prohibited from using confidential information gained in the course of the screening and selection procedures for personal financial gain.

PPS 45-0310 Additional Standards of Conduct for Procurement of District Contracts Funded in Whole or in Part by Federal ~~Award~~award

In addition to compliance with ORS 244 and PPS 45-0300 to 45-0305 with District employees, officers and agents in the selection, award, or administration of any contract ~~must~~shall comply with 2 CFR 318(c)(1) regarding procurement of District Contracts funded in whole or in part by Federal ~~Award~~award:

(1) No District employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal ~~Award~~award if such person has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of such persons immediate family, such persons partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. A district employer, officer, or agent shall notify such person's appointing authority and shall immediately cease participation in all procurement or award activities relating to or management of such contract.

(2) District officers, employees, and agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts supported by a Federal ~~Award~~award. This section shall not apply to items that are excluded from the definition of "gift" in ORS 244.020.

(3) A district employer, officer, or agent who violates any of the standards set forth in PPS 45-0310 will be subject to discipline up to and including termination.

PPS 45-0315 Penalties

Any District employee, officer, or agent that fails to comply with PPS 45-0300 to 45-0310 can face investigation or penalty under ORS ~~Chapter~~chapter 244 and/or adverse employment action up to and including termination.

PROCUREMENT FROM QUALIFIED REHABILITATION FACILITIES ("QRF")

PPS 45-0405 QRF Definitions

(1) "QRF" means an activity center or rehabilitation facility, certified as a community rehabilitation program or as a vocational service provider through the Oregon Department of Human Services that the State ~~Procurement~~procurement Office has determined to be qualified under OAR 125-055-0015.

(2) "QRF Procurement List" means a listing of those nonprofit agencies for disabled individuals who currently are qualified, under OAR 125-055-0015, to participate in the program created by ORS 279.835 through 279.850 and includes, as required by ORS 279.850(1), a list of the products and services offered by QRFs and determined by the State ~~Procurement~~procurement Office, under OAR 125-055-0020, to be suitable for purchase by Contracting Agencies such as the District.

PPS 45-0410 Required Procurement of QRF Products or Services

(1) As required by ORS 279.850(1), if the District intends to procure a Product or ~~Service~~service that is listed on the QRF ~~Procurement~~procurement List, the District ~~must~~shall procure that Product or ~~Service~~service, at the Price determined by the State of Oregon ~~Procurement~~procurement Office, from a QRF if the Product or ~~Service is of Specifications~~service is of specifications appropriate to the District's ~~Procurement~~procurement needs and is available within the time required by the District.

(2) The most current QRF ~~Procurement~~procurement List may be reviewed at the State of Oregon ~~Procurement~~procurement Office Web site at https://dasapp.oregon.gov/qrf/index.aspx.

(3) The Public Contracting Code does not apply to QRF ~~Procurements~~procurements pursuant to ORS 279A.025(4). QRF ~~Procurements~~procurements are therefore exempt from ~~Divisions~~divisions 46, 47, 48, and 49 of these ~~Rules~~rules.

PPS 45-0500 Contract Extensions

Except as otherwise provided in these ~~Rules~~rules:

(1) A Current Contract May Be Extended to Complete the Contract Work. If it appears that a District Contract will expire according to its terms before the ~~Work~~work provided under the Contract will be completed, the Superintendent may extend the Contract for such period of time necessary to complete the ~~Work~~work.

(2) An Expired Contract May Be Reinstated to Complete the Contract Work. If a District Contract inadvertently expires according to its terms before the ~~Work~~work provided under the Contract is completed, the Superintendent may reinstate the Contract for such period of time necessary to complete the ~~Work~~work. The reinstated Contract shall be deemed to begin upon the expiration of the prior Contract and end upon the termination date set forth in the extension.

(3) A Contract Extension May Not Include Substantive Amendments to the Contract. An extension may not be used to amend or change the scope of the Contract or increase the price of the Contract, except as otherwise may be allowed in these ~~Rules~~rules. Contract amendments are subject to PPS 46-0480, 47-0800, or 49-0910, depending on the type of Contract.

END OF DIVISION 45

PPS DIVISION 46

PUBLIC CONTRACTING RULES APPLICABLE TO ALL PUBLIC CONTRACTS AND PERSONAL SERVICES CONTRACTS

PPS 46-0000 Generally

These ~~Division~~division 46 ~~Rules~~rules are intended to implement the provisions of ORS 279A applicable to all public ~~Procurements~~procurements, and the provisions of the Uniform Guidance for all District Contracts supported in whole in part by a Federal ~~Award~~award. Division 46 also addresses delegation of contracting authority under ORS 279A.075 and 332.075, Contracts for Personal ~~Services~~services, and ethics in District Contracting.

PPS 46-0100 Application

(1) Pursuant to ORS 279A.065(5), the District hereby adopts its own ~~Public Contracting Rules ("Rules~~public contracting rules ("rules" or "a ~~Rule~~rule"). Pursuant to ORS 279A.065(1), the Attorney General's Model Rules do not apply to the District. Pursuant to ORS 279A.065(5), the District adopts these ~~Rules~~rules. These ~~Rules~~rules consist of the following ~~three Divisions~~four divisions:

- **(a)** Division 46 applies to all Public Contracts and implements ORS 279A.
- **(b)** Division 47 applies only to Public Contracts for ~~Goods and Services~~goods or services and implements ORS 279B.
- **(c)** Division 48 applies only to Public Contracts for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning, or Land Surveying ~~Services~~services and related service contracts and implements ORS 279C.100 through 279C.125
- **(d)** Division 49 applies only to Public Contracts for ~~Public Improvements~~Construction services and implements ORS 279C.300 through 279C.910.

(2) Most of these ~~Rules~~rules are adapted from the Attorney General's Model Rules and the numbering generally tracks the numbering in OAR Chapter 137 ~~Divisions~~divisions 46, 47, 48, and 49. Except where these ~~Rules~~rules differ from the Model Rules, the District intends its ~~Rules~~rules to be interpreted consistently with the Model Rules.

(3) These ~~Rules~~rules apply to Public Contracts first advertised on or after ~~July~~January 1, ~~2019~~2024.

(4) The District shall review the ~~Rules~~rules each time the Attorney General modifies the Model Rules to ensure compliance with statutory changes. The District may adopt other ~~Rules~~rules, and modify as necessary, to carry out the provisions of the Public Contracting Code pursuant to ORS 279A.070.

PPS 46-0110 Definitions

As used in the Public Contracting Code and ~~Divisions~~divisions 45, 46, 47, 48, and 49 of these ~~Rules~~rules, unless the context or a specifically applicable definition requires otherwise:

(1) ~~"~~**Addendum**~~"~~ or ~~"~~**Addenda**~~"~~ means an addition to or deletion ~~to~~from, a material change in, or general interest explanation of a Solicitation Document.

(2) ~~"~~**Administering Contracting Agency**~~"~~ means a governmental body in this state or in another jurisdiction that solicits and establishes the Original Contract for ~~Procurement of Goods, Services~~procurement of goods, services, or Public Improvements in a Cooperative ~~Procurement. "~~procurement. Administering Contracting Agency~~"~~ includes, for Interstate Cooperative ~~Procurements~~procurements, any governmental body, domestic or foreign, that is authorized under the governmental body's laws, rules, or regulations, to enter into Public Contracts.

(3) **"Award"** means, as the context requires, either the act or occurrence of the District's identification of the Person with whom the District ~~will~~shall enter into a Contract following the resolution of any protest of the District's selection of that Person and the completion of all Contract negotiations.

(4) **Benefit company** means a corporation or a limited liability company that is incorporated, organized, formed or created under ORS 60.754 and the corporation's articles of incorporation state that the corporation is a benefit company subject to ORS 60.750 to 60.770.

(5) **"Bid"** means a ~~Written~~written response to an Invitation to Bid.

(6) **"Bidder"** means a Person who submits a Bid in response to an Invitation to Bid.

(7) **"Brand Name or Equal Specification"** is defined in ORS 279B.200(1) and means a ~~Specification~~specification that uses one or more manufacturers' names, makes, catalog numbers, or similar identifying characteristics to describe the standard of quality, performance, functionality, or other characteristics needed to meet the District's requirements, and that authorizes Offerors to offer ~~Goods and Services~~goods or services that are equivalent or superior to those named or described in the ~~Specification~~specification.

(8) **"Brand Name Specification"** is defined in ORS 279B.200(2) and means a ~~Specification~~specification limited to one or more products, Brand Names, makes, manufacturers' names, catalog numbers, or similar identifying characteristics.

(9) **"CFR"** means the Code of Federal Regulations of the United States of America.

(10) **"Class Special ~~Procurement"~~procurement** is defined in ORS 279B.085 and means a contracting procedure that differs from the procedures described in ORS 279B.055, 279B.060, 279B.065, and 279B.070, and is for the purpose of entering into a series of Contracts over time or for multiple ~~Projects~~projects for the acquisition of a specified class of ~~Goods~~goods or ~~Services~~services.

(11) **"Closing"** means the date and time ~~announced~~specified in a Solicitation Document as the deadline for submitting Offers.

(12) **"Code~~" or "~~** means the Public Contracting Code~~" is defined in ORS 279A.010 and means ORS Chapters 279A, 279B, and 279C.~~.

(13) **"Competitive ~~Sealed Bidding"~~ ~~is a Procurement~~sealed bidding** is a procurement process where a Contract is ~~Awarded~~awarded based on price pursuant to the lowest Responsive and Responsible ~~Bidder~~bidder.

(14) **"Competitive Range"** means the Proposers with whom the District ~~will~~shall conduct discussions or negotiations if the District intends to conduct discussions or negotiations in accordance with PPS 47-0261 or 49-0650~~. The size of the Competitive Range must be stated in the Solicitation Document.~~

(15) **Contract** means a contract for sale or other disposal, or a purchase, lease, rental or other acquisition, by the District of personal property, services, including personal services, public improvements, public works, minor alterations, or ordinary repair or maintenance necessary to preserve a public improvement. "Contract" does not include grants.

(16) ~~**(14) "**~~**Contract Price"** means, as the context requires, the maximum monetary obligation that the District either will or may incur under a Contract, including bonuses, incentives, and contingency amounts, if the Contractor fully performs under the Contract.

(17) ~~**(15) "**~~**Contract Review Board"** or **"Local Contract Review Board"** means the District Board of Directors acting as the Local Contract Review Board for the District under ORS 279A.060.

(18) ~~**(16) "Contracting Agency"**~~ is defined in ORS 279A.010(1)(b) and means a Public Body authorized by law to conduct a ~~Procurement. "~~procurement. Contracting Agency~~"~~ includes, but is not limited to, the Director of the Oregon Department of Administrative ~~Services~~services and any Person authorized by a Contracting Agency to conduct a ~~Procurement~~procurement on the Contracting Agency's behalf. ~~"~~Contracting Agency~~"~~ does not include the judicial department or the legislative department.

(19) ~~**(17) "Contractor"**~~ means the Person with whom the District enters into a Contract and is interchangeable with "Consultant" and "Provider."

(20) ~~**(18) "Cooperative Procurement"**~~**procurement** is defined in ORS 279A.200 and means a ~~Procurement~~procurement conducted by an Administering Contracting Agency on behalf of one or more governmental bodies. "Cooperative ~~Procurement~~procurement" includes, but is not limited to, multi-party Contracts and Price Agreements. "Cooperative ~~Procurement~~procurement" does not include an agreement formed among only governmental bodies under ORS ~~Chapter~~chapter 190 or other legal authority for establishing agreements between or among governmental bodies or agencies or tribal governing bodies or agencies.

(21) ~~**(19) "Cooperative Procurement**~~**procurement Group"** means a group of authorized Contracting Agencies or other governmental body, domestic or foreign, joined through an intergovernmental agreement for the purposes of facilitating Cooperative ~~Procurements~~procurements pursuant to ORS 279A.200.

(22) ~~**(20) "Days"**~~ means calendar ~~Days~~days, except as otherwise specified in these rules.

(23) ~~**(21) "Designated Procurement Officer"**~~ means the individual designated and authorized by the Superintendent to perform certain ~~Procurement~~procurement functions described in these ~~Rules~~rules.

(24) ~~**(22) "Descriptive Literature" means the Offeror's materials submitted to provide information concerning the Goods and Services available in response to a solicitation.**~~ means the written information submitted with the Offer that addresses the goods and services included in the Offer.

(25) ~~**(23) "District"**~~ means School District No. 1J, Multnomah County, Oregon, doing business as Portland Public Schools.

~~**(24) "District Price Agreement"** means a Price Agreement issued by the District. Such Agreements may result from a Cooperative Procurement.~~

(26) ~~**"Disqualification"**~~ means a disqualification, suspension, or ~~debarment~~Debarment pursuant to ORS 200.065, 200.075, or 279A.110, or PPS 46-0210.

(27) ~~**"Electronic Advertisement"**~~ means the District's Solicitation ~~Documents or Request for Quotes~~Document, Request for quotes, Request for Information, or other document inviting participation in the District's ~~Procurements~~procurements available over the Internet via (a) the World Wide Web~~, (b) ORPIN, or (c) an Electronic Procurement~~ or some other internet protocol or (b) the District's electronic procurement System~~ other than ORPIN~~.

(28) ~~**"Electronic Offer"**~~ means a response to the District's Solicitation ~~Documents~~Document or Request for ~~Quotes~~quotes submitted to the District via (a) the World Wide Web or some other ~~Internet~~internet protocol or (b) ~~an Electronic Procurement System utilized by the District~~the District's electronic procurement System.

(29) ~~**"Electronic Procurement System"**~~ means ~~ORPIN or other system constituting~~ an information system that Persons may access through the Internet, using ~~HTTP (i.e.,~~ the World Wide Web~~), Telnet,~~ or some other Internet protocol, or that Persons may otherwise remotely access using a computer~~. An Electronic Procurement System~~ that enables Persons to send Electronic Offers and the District to post Electronic Advertisements, receive Electronic Offers, and conduct ~~any~~other activities related to ~~Procurement~~a procurement.

(30) **"Emergency"** means circumstances that:

(a) Could not have been reasonably foreseen;

(b) Create a substantial risk of loss, damage, or interruption of services or a substantial threat to property, public health, welfare, or safety; and

(c) Require prompt execution of a Contract to remedy the condition.

(31) **"Emergency ~~Procurement~~"procurement** means a sourcing method pursuant to ORS 279B.080.

(32) **"Energy Savings Performance Contract"** means a Public Contract between the District and a Qualified Energy ~~Service~~service Company for the identification, evaluation, recommendation, design, and construction of Energy Conservation Measures, including a Design-Build Contract, that guarantee energy savings or performance.

(33) **"Engineer"** is defined in ORS 279C.100 and means a Person who is registered and holds a valid certificate in the practice of engineering in the State of Oregon, as provided under ORS 672.002 through 672.325, and includes all terms listed in ORS 672.002(2).

(34) **"Facsimile"** means an exact reproduction or copy of graphic or verbal material converted into electrical signals that are transmitted via telephone to produce a paper copy of the material on the receiving fax machine.

(35) **"Federal ~~Award~~"award** is defined in 2 CFR §200.38 and means, depending on the context, in either paragraph (a) or (b) of this section:

(a)

(i) The Federal financial assistance that that the District receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in 2 CFR §200.101 Applicability (such as the State of Oregon); or

(ii) The cost-reimbursement contract under the Federal Acquisition Regulations that the District receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in 2 CFR §200.101 (Applicability).

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 CFR §200.40 (Federal financial assistance), or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) "Federal ~~Award~~award" does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal government owned, contractor operated facilities (GOCOs).

(36) **"Findings"** is defined in ORS 279C.330 and means the justification for an exemption from ~~Competitive~~competitive Bidding for a Contract for a Public Improvement that includes, but is not limited to, information regarding:

(a) Operational, budget, and financial data;

(b) Public benefits;

(c) Value engineering;

(d) Specialized expertise required;

(e) Public safety;

(f) Market conditions;

(g) Technical complexity; and

(h) Funding sources.

(37) **"Flexible Services Contractor Pool"** or **"FSCP"** is a list of qualified contractors determined pursuant to a Request for Qualifications or other method of competitive solicitation with whom the Superintendent may enter into a Contract as provided for in these ~~Rules~~rules.

(38) **"Fringe Benefits"** is defined in ORS 279C.800 and means the amount of:

(a) The rate of contribution irrevocably made by a Contractor or subcontractor to a trustee or to a third person under a plan, fund, or program; and

(b) The rate of costs to the Contractor or subcontractor that may be reasonably anticipated in providing benefits to workers pursuant to an enforceable commitment to carry out a financially responsible plan or program that is committed in ~~Writing~~writing to the workers affected, for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar programs, or for other bona fide Fringe Benefits, but only when the Contractor or subcontractor is not required by other federal, state, or local law to provide any of these benefits.

(39) **"Good-Faith Dispute"** is defined in ORS 279C.580 and means a documented dispute concerning:

(a) Unsatisfactory job progress;

(b) Defective Work not remedied;

(c) Third-party claims filed or reasonable evidence that claims will be filed;

(d) Failure to make timely payments for labor, equipment, and materials;

(e) Damage to the prime Contractor or subcontractor; or

(f) Reasonable evidence that the subcontract cannot be completed for the unpaid balance of the subcontract sum.

(40) **"Goods"** is defined in ORS 279A.010(1)(i) and means supplies, equipment, materials, and personal property, including any tangible, intangible, and intellectual property and rights and licenses in relation thereto, and combinations of any of the items identified herein.

(41) **"Goods and Services"** or **"Goods or Services"** is defined in ORS 279A.010(1)(j) and means any combinations of any of the items identified in the definitions of "~~Goods~~goods" and "~~Services~~services."

(42) **"Grant"** is defined in ORS 279A.010(k) and means:

(a) An agreement under which the District receives money, property, or other assistance including, but not limited to, federal assistance that is characterized as a Grant by federal law or regulations, loans, loan guarantees, credit enhancements, gifts, bequests, commodities, or other assets, from a grantor for the purpose of supporting or stimulating a program or activity of the District and in which no substantial involvement by the grantor is anticipated in the program or activity other than involvement associated with monitoring compliance with the Grant conditions; or

(b) An agreement under which the District provides money, property, or other assistance including, but not limited to, federal assistance that is characterized as a Grant by federal laws or regulations, loans, loan guarantees, credit enhancements, gifts, bequests, commodities, or other

assets, to a recipient for the purpose of supporting or stimulating a program or activity of the recipient, and in which no substantial involvement by the District is anticipated in the program or activity other than involvement associated with monitoring compliance with the Grant conditions.

(c) ~~"~~Grant~~"~~ does not include a Public Contract:

(A) For a Public Improvement or Public Works, as defined in ORS 279C.800, or

(B) For Emergency Work, minor alterations, or ordinary repair or maintenance necessary to preserve a Public Improvement, when under the Public Contract:

(i) The District pays moneys that the District has received under a Grant, and

(ii) Such payment is made in consideration for Contract performance intended to realize or to support the realization of the purposes for which Grant funds were provided to the District.

(43) ~~"~~Interstate Cooperative Procurement~~"~~ is defined in ORS 279A.200 and means a Permissive Cooperative ~~Procurement~~procurement in which the Administering Contracting Agency is a governmental body, domestic or foreign, that is authorized under the governmental body's laws, rules, or regulations to enter into Public Contracts and in which one or more of the participating governmental bodies are located outside of their state.

(44) ~~"~~Invitation to Bid~~"~~ or **~~"~~ITB~~"~~** means the Solicitation Document issued to invite Offers from prospective Contractors ~~pursuant to~~under either ORS 279B.055 or 279C.335.

(45) ~~"~~Joint Cooperative Procurement~~"~~ is defined in ORS 279A.200 and means a Cooperative ~~Procurement~~procurement that identifies:

(a) The participating governmental bodies or the Cooperative ~~Procurement~~procurement Group;

(b) The Contract requirements or estimated Contract requirements for Price Agreements.

(46) ~~"~~Land Surveyor~~"~~ is defined in ORS 279C.100(4) and means a Person who is registered and holds a valid certificate in the practice of land surveying in the State of Oregon as provided under ORS 672.002 through 672.325, and includes all terms listed in ORS 672.002(5).

(47) ~~"Life-Cycle~~Life Cycle Cost~~"~~ means the total cost to the District of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired.

(48) ~~"~~Life-Cycle Costing~~"~~ means the various quantifiable cost factors, in addition to the acquisition cost of ~~Goods and Services~~goods or services (also referred to in this ~~Rule~~rule as "product, equipment, and service, separately or in any combination thereof").

(49) ~~"~~Locality~~"~~ is defined in ORS 279C.800 and means the following district in which the Public Works, or the major portion thereof, is to be performed: District 2, composed of Clackamas, Multnomah, and Washington Counties.

(50) ~~"~~Lowest Responsible Bidder~~"~~ means the lowest ~~Bidder~~bidder who:

(a) Has substantially complied with all prescribed Public Contracting procedures and requirements;

(b) Has met the standards of responsibility set forth in ORS 279B.110 or 279C.375;

(c) Has not been ~~debarred~~Debarred or disqualified by the District under ORS 279B.130 or 279C.440; and

(d) Is not on the list created by the Oregon Construction Contractors Board under ORS 701.227, if the advertised Contract is a Public Improvement Contract.

(51) **~~"~~Model Rules~~"~~** means the Attorney General's Model Rules of ~~procedure~~Procedure for Public Contracting as required under ORS 279A.065.

(52) **~~"~~Nonprofit Procurement Organization~~"~~** means a local, state, or national organization formed as a tax-exempt entity under the United States Internal Revenue Code for the purpose of conducting large-scale or volume-competitive ~~Procurements~~procurements as an agent for its governmental and/or nonprofit members in order to obtain the most favorable pricing or terms.

(53) **~~"~~Nonresident Bidder~~"~~** is defined in ORS 279A.120 and means a ~~Bidder~~bidder who is not a resident ~~Bidder~~bidder.

(54) **~~"~~OAR~~"~~** means the Oregon Administrative Rules.

(55) **~~"~~Offer~~"~~** means a ~~Written Offer~~written offer to provide ~~Goods~~goods or ~~Services~~services in response to a Solicitation Document.

(56) **~~"~~Offeror~~"~~** means a Person who submits an Offer.

(57) **~~"~~Opening~~"~~** means the date, time, and place ~~announced~~specified in the Solicitation Document for the public opening of Offers.

~~**(57) "ORPIN"** means the on-line electronic Oregon Procurement Information Network administered by the State Procurement Office.~~

(58) ~~**(58) "**~~**ORS~~"~~** means the Oregon Revised Statutes.

(59) ~~**(59) "**~~**Original Contract~~"~~** is defined in ORS 279A.200(f) and means the initial Contract or Price Agreement solicited and ~~Awarded~~awarded during a Cooperative ~~Procurement~~procurement by an Administering Contracting Agency.

(60) ~~**(60) "**~~**Permissive Cooperative Procurement~~"~~** is defined in ORS 279A.200 and means a Cooperative ~~Procurement~~procurement in which the Purchasing Contracting Agencies are not identified.

(61) ~~**(61) "**~~**Person~~"~~** means any of the following with legal capacity to enter into a Contract: individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation, or any other legal or commercial entity~~. "Person" is also defined in ORS 279C.500 and 279C.815 and means any employer, labor organization, or any official representative of an employee or employer association.~~

(62) ~~**(62) "**~~**Personal Services~~"~~** means the ~~Services~~services or type of ~~Services~~services performed under a Personal ~~Services~~services Contract as defined in PPS 46-0500.

(63) ~~**(63) "**~~**Personal Services Contract~~"~~** or **~~"~~PSC~~"~~** is a Contract primarily for Personal ~~Services.~~services as designated in these rules. Personal services contract does not include a Contract for the services of an Architect, Engineer, Land Surveyor or Provider of Related Services (as defined in ORS 279C.100),

(64) ~~**(64) "**~~**Prevailing Rate of Wage~~"~~** is defined in ORS 279C.800 and means the rate of hourly wage, including all Fringe Benefits, paid in the Locality to the majority of workers employed on projects of similar character in the same trade or occupation, as determined by the Commissioner of the Bureau of Labor and Industries.

(65) ~~**(65) "**~~**Price Agreement~~"~~** means a Public Contract for the ~~Procurement of Goods and Services~~procurement of goods or services at a set price with:

(a) No guarantee of a minimum or maximum purchase; or

(b) An initial order or minimum purchase combined with a continuing Contractor obligation to provide ~~Goods and Services~~goods or services in which the District does not guarantee a minimum or maximum additional purchase.

(66) ~~**(66) "Procurement"**~~ is defined in ORS 279A.010(1)(w) and means the act of purchasing, leasing, renting, or otherwise acquiring ~~Goods or Services. "~~goods or services. Procurement~~"~~ includes each function and procedure undertaken or required to be undertaken by the District to enter into a Public Contract, administer a Public Contract, and obtain the performance of a Public Contract under the Public Contracting Code.

(67) ~~**(67) "Procurement Description"**~~ is defined in ORS 279B.005(1)(b) and means the words used in a solicitation to describe the ~~Goods~~goods or ~~Services~~services to be procured. "~~Procurement~~procurement Description" includes ~~Specifications~~specifications attached to or made a part of the ~~solicitation~~Solicitation.

~~**(68) "Procurement File"** is a file containing documents relating to a specific Procurement or Procurements that is maintained in the District's Procurement Division or in another District department or division that is responsible for the Procurement.~~

(68) ~~**(69) "Product Sample"**~~ means the exact ~~Goods~~goods or a representative portion of the ~~Goods~~goods offered in an Offer, or the ~~Goods~~goods requested in the Solicitation Documents as a sample.

(69) ~~**(70) "Proposal"**~~ means a ~~Written~~written response to a Request for ~~Proposals~~proposal.

(70) ~~**(71) "Proposer"**~~ means a Person who submits a ~~Proposal~~proposal in response to a Request for ~~Proposals~~proposal.

(71) ~~**(72) "Public Agency"**~~ is defined in ORS 279C.800(5) and means the State of Oregon or any political subdivision thereof, or any county, city, district, authority, public corporation, or entity, and any instrumentality thereof organized and existing under law or charter.

(72) ~~**(73) "Public Body"**~~ is defined in ORS 279A.010(1)(y) and has the meaning given that term in ORS 174.109.

~~**(74) "Public Contract"** or **"Contract"** means, except where these Rules otherwise expressly indicate, a "Public Contract" as defined in ORS 279A.010 and means a sale or other disposal, or a purchase, lease, rental, or other acquisition by the District of personal property, Services, including Personal Services, Public Improvements, Public Works, minor alterations, or ordinary repair or maintenance necessary to preserve a Public Improvement. "Public Contract" does not include Grants.~~

(73) ~~**(75) "Public Contracting"**~~ is defined in ORS 279A.010(1)(aa) and means ~~Procurement~~procurement activities described in the Public Contracting Code relating to obtaining, modifying, or administering Public Contracts or Price Agreements.

(74) ~~**(76) "Public Improvement"**~~ is defined in ORS 279A.010 and means a ~~Project~~project for construction, reconstruction, or major renovation on real property by or for the District. "Public Improvement" does not include:

(a) Projects for which no funds of the District are directly or indirectly used, except for participation that is incidental or related primarily to ~~Project~~project design or inspection; or

(b) Emergency Work, minor alteration, or ordinary repair or maintenance necessary to preserve a Public Improvement.

(75) ~~**(77) "Public Improvement Contract"**~~ means a Public Contract for a Public Improvement. "Public Improvement Contract" does not include a Public Contract for Emergency Work, minor alterations, or ordinary repair or maintenance necessary to preserve a Public Improvement.

(76) ~~**(78)**~~ **(a)** ~~"~~**Public Works"** ~~–~~ is defined in ORS 279C.800 and includes, but is not limited to:

(A) Roads, highways, buildings, structures, and improvements of all types, the construction, reconstruction, major renovation, or painting of which is carried on or contracted for by any Public Agency to serve the public interest;

(B) A ~~Project for the construction, reconstruction,~~project that uses $750,000 or more funds of a public agency for constructing, reconstructing, painting or performing a major renovation~~, or painting of a privately owned~~ on a road, highway, building, ~~or~~ structure ~~of any type that uses funds of a private entity and $750,000 or more of funds of a Public Agency; or~~, or improvement of any;

(C) A ~~Project for the~~project that uses funds of private entity for construction ~~of~~ a privately owned road, highway, building, structure, or improvement of any type ~~that uses funds of a private entity and in which~~a public agency will use or occupy 25 percent or more of the square footage of the completed ~~Project will be occupied or used by a Public Agency.~~project;

(D) Notwithstanding the provisions of ORS 279C.810 (Exemptions) (2)(a), (b) and (c), a device, structure or mechanism, or a combination of devices, structures or mechanisms, that:

(i) Uses solar radiation as a source for generating heat, cooling or electrical energy; and

(ii) Is constructed or installed, with or without using funds of a public agency, on land, premises, structures or buildings that a public body, as defined in ORS 174.109 ("Public body" defined), owns; or

(E) Notwithstanding paragraph (b)(A) of this subsection and ORS 279C.810 (Exemptions) (2)(b) and (c), construction, reconstruction, painting or major renovation of a road, highway, building, structure or improvement of any type that occurs, with or without using funds of a public agency, on real property that a public university listed in ORS 352.002 (Public universities) owns.

(b) ~~"~~Public Works~~"~~ ~~–~~ does not include:

(A) ~~The reconstruction or renovation of~~Reconstructing or renovating privately owned ~~real~~ property that ~~is leased by a Public Agency~~a public agency leases; or

(B) ~~The renovation by a~~A private nonprofit ~~entity~~entity's renovation of publicly owned real property that is more than 75 years old if:;

(i) The real property is leased to the private nonprofit entity for more than 25 years;

(ii) Funds of a Public Agency used in the renovation do not exceed 15 percent of the total cost of the renovation; and

(iii) Contracts for the renovation were advertised or, if not advertised, were entered into before July 1, 2003, but the renovation has not been completed on or before July 13, 2007.

(77) ~~**(79)**~~ ~~**"**~~**Purchase Order"** ~~–~~ means the District's document to formalize a purchase transaction with a Provider. Acceptance of a Purchase Order constitutes a Public Contract. The District's use of a Purchase Order ~~must~~shall comply with the Public Contracting Code and these ~~Rules~~rules.

(78) ~~**(80) "Purchasing Contracting Agency"**~~ is defined in ORS 279A.200(1)(h) and means a governmental body that procures ~~Goods, Services~~goods, services, or Public Improvements from a Contractor based on the Original Contract established by an Administering Contracting Agency.

(79) ~~**(81) "QBS"**~~ means the qualifications-based selection process mandated by ORS 279C.110 for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services and Related ~~Services~~services Contracts under certain circumstances.

(80) ~~**(82) "Recycled Material"** means any material that would otherwise be a useless, unwanted, or discarded material except for the fact that the material still has useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled.~~**Materials** means recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE products (as defined in ORS 279A.010(1)(hh)), and other recycled plastic resin products and recycled products (as defined in ORS 279A.010(1)(ii)).

(81) ~~**(83) "Recycled Product"**~~ is defined in ORS 279A.010(1)(ii) and means all materials, ~~Goods~~goods, and supplies, not less than 50 percent of the total weight of which consists of secondary and post-consumer waste, with not less than 10 percent of its total weight consisting of Post-consumer Waste. "Recycled Product" includes any product that could have been disposed of as solid waste, having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of the product's form.

(82) ~~**(84) "Request for Proposals"**~~**Proposal** or ~~**"RFP"**~~ is defined in ORS 279B.005 and means all documents, either attached or incorporated by reference, and any Addenda thereto, used for soliciting Proposals in accordance with either ORS 279B.060 or 279C.405 and related rules.

(83) ~~**(85) "Request for Qualifications"**~~ or ~~**"RFQ"**~~ means a ~~Written~~written document issued by the District to which Contractors respond in ~~Writing~~writing by describing their experience with and qualifications for the ~~Work~~services, Personal services, or Architectural, Engineering or Land Surveying services, or Related services, described in the ~~Solicitation Document~~solicitation document.

(84) ~~**(86) "Request for Quotes"**~~ means a ~~Written~~written or oral request for prices, rates, or other conditions under which a potential Contractor would provide ~~Goods~~goods or perform ~~Services~~services, Personal ~~Services~~services, or Public Improvements described in the request.

(85) ~~**(87) "Responsible"**~~ means meeting the standards set forth in PPS 47-0640 or 49-0390(2), and not ~~debarred~~Debarred or disqualified by the District under PPS 47-0575 or 49-0370.

(86) ~~**(88) "Resident Bidder"**~~ is defined in ORS 279A.120 and means a ~~Bidder~~bidder that has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the Bid, has a business address in this state, and has stated in the ~~Bid~~bid whether the ~~Bidder~~bidder is a "Resident ~~Bidder~~bidder."

(87) ~~**(89) "Responsible Offeror"** (also **"Responsible Bidder"** or **"Responsible Proposer"** as applicable)~~ means a Person who has submitted an Offer and met the standards set forth in PPS 47-0500 or PPS 49-0390(2), and who has not been ~~debarred~~Debarred or disqualified by the District under PPS 47-0575 or 49-0370, respectively. When used alone, "Responsible" means meeting the aforementioned standards.

(88) ~~**(90)**~~ **"Responsive"** means having the ~~characteristics~~characteristic of substantial ~~completion~~compliance in all material respects with applicable solicitation requirements.

(89) ~~**(91)**~~ **"Responsive Offer"** ~~(also, "~~means, as the context requires, a Responsive Bid~~" or ",~~ Responsive Proposal,~~" as applicable) means an~~ or other Offer that substantially complies in all material respects with applicable solicitation requirements.

(90) ~~**(92) "Retainage"**~~ is defined in ORS 279C.550 and means the difference between the amount earned by a Contractor on a Public Contract and the amount paid on the Contract by the District.

(91) ~~**(93) "Revenue Contract"**~~ means a Contract where the District is providing ~~Goods~~goods or ~~Services~~services to another party for compensation. Revenue Contracts are typically intergovernmental agreements with other education or education-related social service providers, or Contracts with other community partners in furtherance of the District's educational mission.

(92) ~~**(94) "School Board"**~~ means the District Board of Directors acting as the governing body of the District pursuant to ORS ~~Chapter~~chapter 332.

(93) ~~**(95) "Secondary Waste Content"**~~ or ~~**"Secondary Waste Materials"**~~ is defined in ORS 279A.010(1)(jj) and means fragments of products or finished products of a manufacturing process that has converted a virgin resource into a commodity of real economic value. "Secondary Waste Materials" includes post-consumer waste. "Secondary Waste Materials" does not include excess virgin resources of the manufacturing process. For paper, "Secondary Waste Materials" does not include fibrous waste generated during the manufacturing process, such as fibers recovered from waste water or trimmings of paper machine rolls, mill broke, wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

(94) ~~**(96) "Services"**~~ is defined in ORS 279A.010(1) and means ~~Services~~services other than Personal ~~Services~~services designated under PPS 46-0500 and ORS 279A.055.

(95) ~~**(97) "Signature"**~~ means any ~~Written~~written mark, word, or symbol that is made or adopted by a Person with the intent to be bound and that is attached to or logically associated with a ~~Written~~written document to which the Person intends to be bound.

(96) ~~**(98) "Signed"**~~ means, as the context requires, that a ~~Written~~written document contains a ~~Signature~~signature or that the act of making a ~~Signature~~signature has occurred.

(97) ~~**(99) "Solicitation Document"**~~ means an Invitation to Bid, a Request for ~~Proposals~~proposals, Request for ~~Quotes~~quotes, or other similar document issued to invite Offers from prospective Contractors ~~pursuant to~~under ORS ~~Chapters~~chapter 279B or 279C. The following are not "Solicitation Documents" unless they invite Offers from prospective Contractors: a Request for Qualifications, a prequalification of ~~Bidders~~bidders, a request for information, a sole-source notice, an approval of a Special ~~Procurement~~procurement, or a request for product prequalification. A project-specific selection document under a Price Agreement that has resulted from a previous Solicitation Document is not itself a Solicitation Document.

(98) **Solicitation file** is a physical or electronic file containing documents relating to a specific procurement or procurements that is maintained in the District's procurement Division or in another District department or division that is responsible for the procurement.

(99) ~~**(100) "Specifications"**~~ means, with respect to ~~Goods~~goods or ~~Services~~services, any description of the physical or functional characteristics of, or of the nature of, ~~Goods and Services~~goods or services to be procured by the District, including any requirement for inspecting, testing, or preparing ~~Goods or Services~~goods or services for delivery and the quantities or qualities of materials to be furnished under the Contract. See ORS 279B.200(3). With respect to Public Improvements, "~~Specifications~~specifications" generally means any description of the result to be obtained and may, on occasion, describe the method and manner of doing the ~~Work~~work to be performed.

(100) ~~**(101) "Superintendent"**~~ means the District Superintendent or the Superintendent's designee.

(101) ~~**(102) "Uniform Guidance"**~~ means 2 CFR Part 200—Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal ~~Awards~~awards. The Uniform Guidance applies to all District Contracts funded in whole or in part by Federal ~~Award~~award.

(102) :

(a) **Veteran** means an individual who Served on active duty with the Armed Forces of the United States:

(A) For a period of more than 90 consecutive days beginning on or before January 31, 1955, and was discharged or released under honorable conditions;

(B) For a period of more than 178 consecutive days beginning after January 31, 1955, and was discharged or released from active duty under honorable conditions;

(C) For 178 days or less and was discharged or released from active duty under honorable conditions because of a service-connected disability;

(D) For 178 days or less and was discharged or released from active duty under honorable conditions and has a disability rating from the United States Department of Veterans Affairs; or

(E) For at least one day in a combat zone and was discharged or released from active duty under honorable conditions;

(i) Received a combat or campaign ribbon or an expeditionary medal for service in the Armed Forces of the United States and was discharged or released from active duty under honorable conditions;

(ii) Is receiving a nonservice-connected pension from the United States Department of Veterans Affairs;

(iii) Is a disabled veteran, as defined in ORS 408.225; or

(iv) Has been a reserve officer or member of a National Guard unit for at least five years before the individual seeks a certification under ORS 200.055.

(b) As used in paragraph (a) of this subsection, "active duty" does not include attendance at a school under military orders, except schooling incident to an active enlistment or a regular tour of duty, or normal military training as a reserve officer or member of an organized reserve or a National Guard unit.

(103) ~~**(103) "Work"**~~ means the furnishing of all materials, equipment, labor, and incidentals necessary to successfully complete any individual item or the entire Contract, and successful completion of all duties and obligations imposed by the Contract.

(104) ~~**(104) "Writing"**~~ means letters, characters, and symbols inscribed on paper by hand, print, type, or other method of impression, intended to represent or convey particular ideas or meanings. "Writing," when required or permitted by law, or required or permitted in a Solicitation Document, also means letters, characters, and symbols made in electronic form and intended to represent or convey particular ideas or meanings.

(105) ~~**(105)**~~ **"Written"** means existing in ~~Writing~~writing.

PPS 46-0120 Policy

The District shall conduct Public Contracting to further the policies set forth in ORS 279A.015, elsewhere in the Code, and in these ~~Rules~~rules.

PPS 46-0130 Application of the Code and Rules; Exceptions

(1) Except as set forth in this section, the District ~~must~~shall exercise all rights, powers, and authority related to Public Contracting in accordance with the Public Contracting Code and these ~~Rules~~rules.

(2) The District may make a ~~Procurement without Competitive Sealed Bidding, Competitive Sealed~~procurement without competitive sealed bidding, competitive sealed Proposals, or other competition required under ORS 279B.050 through 279B.085 or PPS 47-0255 through 47-0670, provided the ~~Procurement~~procurement is made under 10 U.S.C. 381, the Electronic Government Act of 2002 (P.L. 107-347), or other federal law that is, as determined by the Local Contract Review Board, similar to 10 U.S.C. 381 or ~~Section~~section 211 of the Electronic Government Act of 2002, in effectuating or promoting transfers of property to the District.

(3) Except as expressly provided herein, these ~~Rules~~rules do not apply to the Contracts or classes of Contracts described in ORS 279A.025(2), including the following District Contracts:

(a) Contracts between the District and:

(A) Another Contracting Agency;

(B) The Oregon Health and Science University;

(C) A public university listed in ORS 352.002

(D) ~~(C)~~ The Oregon State Bar;

(E) ~~(D)~~ A governmental body of another state;

(F) ~~(E)~~ The federal government;

(G) ~~(F)~~ An American Indian tribe or an agency of an American Indian tribe;

(H) ~~(G)~~ A nation, or a governmental body in a nation, other than the United States; or

(I) ~~(H)~~ An intergovernmental entity formed between or among:

(i) Governmental bodies of this or another state;

(ii) The federal government;

(iii) An American Indian tribe or an agency of an American Indian tribe;

(iv) A nation other than the United States; or

(v) A governmental body in a nation other than the United States.

(b) Agreements authorized by ORS ~~Chapter~~chapter 190 or by a statute, charter provision, ordinance, or other authority for establishing agreements between or among governmental bodies or agencies or tribal governing bodies or agencies;

(c) Insurance and ~~Service~~service Contracts as provided for under ORS 414.115, 414.125, 414.135, and 414.145 for purposes of source selection;

(d) Grants;

(e) Contracts for professional or expert witnesses or Consultants to provide ~~Services~~services or testimony relating to existing or potential litigation or legal matters in which a Public Body is or may become interested;

(f) Acquisitions or disposals of real property or interest in real property;

(g) Sole-source expenditures when rates are set by law or ordinance for purposes of source selection;

(h) Contracts for the ~~Procurement~~procurement or distribution of textbooks;

(i) ~~Procurements~~procurements by the District from an Oregon Corrections Enterprises program;

(j) Contracts, agreements, or other documents entered into, issued, or established in connection with:

(A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a Public Body;

(B) ~~The making of program~~Program loans and similar extensions or advances of funds, aid, or assistance ~~by~~that a Public Body makes to a public or private body for the purpose of carrying out, promoting, or sustaining activities or programs authorized by law; or

(C) The investment of funds by a Public Body as authorized by law, and other financial transactions of a Public Body that by their character cannot practically be established under the competitive Contractor selection procedures of ORS 279B.050 through 279B.085;

(k) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221, 243.275, 243.291, 243.303, and 243.565;

(l) Contracts for employee benefit plans as provided in ORS 243.860 through 243.886; or

(m) Any other Public Contracting of a Public Body specifically exempted from the Code by another provision of law.

(4) ~~Except as expressly provided herein, these Rules~~Rules adopted to implement ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to Contracts ~~entered into pursuant to~~made with qualified non-profit agencies providing employment opportunities for individuals with disabilities under ORS 279.835 through 279.855.

MINORITIES, WOMEN, AND EMERGING SMALL BUSINESSES

PPS 46-0210 Subcontracting to and Contracting With Emerging Small Businesses; Disqualification

~~**(1)** As set forth in ORS 279A.105, the District may require a Contractor to subcontract some part of a Contract to, or to obtain materials to be used in performing the Contract from:~~

~~**(a)** A business enterprise that is certified under ORS 200.055 as an emerging small business; or~~

~~**(b)** A business enterprise that is:~~

~~**(A)** Certified under ORS 200.055 as an emerging small business; and~~

~~**(B)** Is located in or draws its workforce from economically distressed areas, as designated by the Oregon Economic and Community Development District.~~

(1) ~~**(2)** A~~For the purposes of ORS 279A.105, a subcontractor certified under ORS 200.055 as an emerging small business is located in or draws its workforce from economically distressed areas if:

(a) Its principal place of business is located in an area designated as economically distressed under administrative rules adopted by the Oregon Business Development Department; or

(b) The Contractor certifies in ~~Writing~~a signed writing to the District that a substantial number of the subcontractor's employees, or subcontractors that will manufacture ~~the Goods or complete the Services~~or provide the goods or perform the services or Personal services under the Contract~~,~~ reside in an area designated as economically distressed under administrative rules adopted by the Oregon Business Development Department. For the purposes of making the foregoing determination, the District ~~must~~shall determine in each particular instance what proportion of a Contractor's or subcontractor's employees or subcontractors constitutes a substantial number.

(2) ~~**(3)** The~~ The District ~~must~~shall include in each Solicitation Document a requirement that Offerors certify in their Offers, in a form prescribed by the District, that the Offeror has not discriminated and will not discriminate against a subcontractor in the ~~Awarding~~awarding of a subcontract because the subcontractor is certified under ORS 200.055 as a ~~disadvantaged~~disadvantaged business enterprise, a minority-owned

business, a women-owned business, an emerging small business or a veteran-owned business ~~enterprise that a service-disabled veteran owns~~.

(3) ~~**(4)**~~ **Disqualification**.

(a) The District may disqualify a Person from consideration for ~~Award~~award of the District's Contracts under ORS 200.065(5), or suspend a Person's right to ~~Bid~~bid on or participate in any ~~Public~~ Contract under ORS 200.075(1), after providing the Person with notice and a reasonable opportunity to be heard in accordance with Sections (4)(~~d~~b) and (~~e~~c) of this ~~Rule~~rule.

~~**(b)** As provided in ORS 200.065 and 200.075, the District may disqualify or suspend a Person's right to submit an Offer or to participate in a Contract (e.g., act as a subcontractor) as follows:~~

~~**(A)** For a Disqualification under ORS 200.065, the District may disqualify a Person upon finding that the Person engaged in any of the activities made unlawful by ORS 200.065(1) or (2), or if the Person has been disqualified by another district pursuant to ORS 200.065.~~

~~**(B)** For a Disqualification under ORS 200.075, the District may suspend a Person upon finding that the Person engaged in any of the acts prohibited by ORS 200.075(2)(a) through (c).~~

~~**(c)** The District may disqualify or suspend a Person's right to submit Offers or participate in Public Contracts only for the length of time permitted by ORS 200.065 or 200.075, as applicable.~~

(b) ~~**(d)**~~ The District ~~must~~shall provide ~~Written~~written notice to the Person of a proposed Disqualification. The District shall deliver the ~~Written~~written notice by ~~person~~personal service or by registered or certified mail, return receipt requested. This notice ~~must~~shall:

(A) State that the District intends to disqualify or suspend the Person;

(B) Set forth the reasons for the Disqualification;

(C) Include a statement of the Person's right to a hearing if requested in ~~Writing~~writing within the time stated in the notice and that if the District does not receive the Person's ~~Written~~written request for a hearing within the time stated, the Person shall have waived its right to a hearing;

(D) Include a statement of the authority under which the hearing will be held;

(E) Include a reference to the particular sections of the statutes and rules involved;

(F) State the proposed Disqualification period; and

(G) State that the Person may be represented by legal counsel.

(c) ~~**(e)**~~ Hearing. The District ~~must~~shall schedule a hearing upon the District's receipt of the Person's timely hearing request. Within a reasonable time prior to the hearing, The District ~~must~~shall notify the Person of the time and place of the hearing and provide information on the procedures, right of representation, and other rights related to the conduct of the hearing ~~prior to the hearing~~. The Contract Review Board may hold the hearing or may designate a hearings officer to conduct the hearing.

(d) ~~**(f)**~~ Notice of Disqualification. The District shall provide ~~Written~~written notice of the Disqualification to the Person. The District shall deliver the ~~Written~~written notice by person service or by registered or certified mail, return receipt requested. The notice shall contain:

(A) The effective date and period of Disqualification;

(B) The grounds for Disqualification; and

(C) A statement of the Person's appeal rights and applicable appeal deadlines.

(4) ~~**(5)**~~ **Contract and Subcontract Conditions**. If the District awards a Contract to an Offeror that has been determined to be responsible under ORS 200.005(8)[2] and 200.045(3),[3] or awards a Contract under ORS 279A.100:[4]

(a) The District ~~must~~shall provide, as a material condition of the Contract:

(A) That the Contractor ~~must~~shall maintain its certification under ORS 200.055 throughout the term of the Contract and any extensions (if the Contracting Agency used the certification as a factor in or as a basis for the award of the Contract);

(B) That the Contractor ~~must~~shall promptly pay each subcontractor that is certified under ORS 200.055 in accordance with ORS 279B.220, or ORS 279C.570 and 279C.580, whichever apply to the Contract;

(C) That the Contractor ~~must~~shall include, in any subcontract the Contractor establishes in connection with the Contract, a provision that requires the subcontractor to maintain the subcontractor's certification under ORS 200.055 throughout the term of the subcontract and any extensions (if the Contractor used the certification as a factor in or as a basis for the award of the subcontract);

(D) That the District may require the Contractor to terminate a subcontract with a subcontractor that fails to maintain its certification under ORS 200.055 throughout the term of the subcontract and any extensions.

(b) In the administration of Contracts that are subject to ~~Section~~section (5) of this rule, the District ~~must~~shall verify the Contractor's and any subcontractor's compliance with Subsection (5)(a) of this rule.

(c) Subparagraph (~~5~~4)(a)(A) of this section does not apply to an emerging small business that ceases to qualify as a tier one firm or a tier two firm (as ORS 200.005 defines those terms) due to the growth in the business's number of full-time equivalent employees or in average annual gross receipts during the term of the Contract. This ~~Section~~section (5) does not apply to an emerging small business for which a certification under ORS 200.055 expires during the term of the Contract or any extensions.

CONTRACT PREFERENCES

PPS 46-0300 Preference for Oregon Goods ~~and~~or Services~~; Nonresident Bidders~~

(1) Tiebreaker Preference and Award When Offers Identical. Under ORS 279A.120, when the District receives Offers ~~that are~~ identical in price, fitness, availability, and quality and chooses to ~~Award~~award a Contract, the District ~~must Award~~shall award the Contract based on the following order of precedence:

(a) The District ~~must Award~~shall award the Contract to the Offeror among those submitting identical Offers ~~that~~who is offering ~~Goods and Services~~goods or services, or both, or Personal services that are manufactured, produced, or to be performed in Oregon.

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[2] A bidder or proposer that the Governor's Policy Advisor for Economic and Business Equity determines has undertaken both a policy and a practice of actively pursuing participation by minority-owned businesses, women-owned businesses, businesses that ~~service-disabled~~ veterans own or emerging small businesses in all of the bidder's or proposer's bids or proposals, both public and private.

[3] A bidder or proposer has made good faith efforts to encourage required participants to participate by taking all of the actions list in ORS 200.045(3).

[4] An affirmative action program adopted under ORS 279A.100 for goods and services contracts or any other contract under $50,000.

(b) If two or more Offerors submit identical Offers and they all offer ~~Goods~~goods or ~~Services~~services, or both, or Personal ~~Services~~services, that are manufactured, produced, or to be performed in Oregon, the District ~~must Award~~shall award the Contract by drawing lots among the identical Offers. The District ~~will~~shall provide the Offerors who submitted the identical Offers notice of the date, time, and location of the drawing of lots, and an opportunity for these Offerors to be present when the lots are drawn.

(c) If the District receives identical Offers and none of the identical Offers offer ~~Goods~~goods or ~~Services~~services, or both, or Personal ~~Services~~services, that are manufactured, produced, or to be performed in Oregon, then the District ~~must Award~~shall award the Contract by drawing lots among the identical Offers. The District ~~will~~shall provide to the Offerors who submitted the identical Offers notice of the date, time, and location of the drawing of lots, and an opportunity for these Offerors to be present when lots are drawn.

(2) Determining if Offers Are Identical. The District ~~will~~shall consider Offers identical in price, fitness, availability, and quality as follows:

(a) Bids received in response to an Invitation to Bid are identical in price, fitness, availability, and quality if the Bids are Responsive and offer the ~~Goods~~goods or ~~Services~~services, or both, or Personal ~~Services~~services, described in the Invitation to ~~Bid~~bid at the same price.

(b) Proposals received in response to a Request for ~~Proposals~~proposal are identical in price, fitness, availability, and quality if they are Responsive and achieve equal scores when scored in accordance with the evaluation criteria set forth in the Request for ~~Proposals~~proposal.

(c) Offers received in response to a Special ~~Procurement~~procurement conducted under ORS 279B.085 are identical in price, fitness, availability, and quality if, after completing the contracting procedure approved by the Contract Review Board, the District determines, in ~~Writing~~writing, that two or more Proposals are equally advantageous to the District.

(d) Offers received in response to an ~~Intermediate Procurement~~intermediate procurement conducted pursuant to ORS 279B.070 are identical if the Offers equally best serve the interests of the District in accordance with ORS 279B.070(4).

(3) Determining if Goods or Services or Personal Services Are Manufactured or Produced in Oregon. In applying ~~Section~~section (1) of this ~~Rule~~rule, the District ~~will~~shall determine whether a Contract is predominantly for ~~Goods, Services~~goods, services, or Personal ~~Services~~services and then use the predominant purpose to determine if the ~~Goods, Services~~goods, services, or Personal ~~Services~~services are manufactured, produced, or performed in Oregon. The District may request, either in a Solicitation Document, following Closing, or at any other time the District determines is appropriate, any information the District may need to determine if the ~~Goods, Services~~goods, services, or Personal ~~Services~~services are manufactured or produced in Oregon. The District may use any reasonable criteria to determine if ~~Goods, Services~~goods, services, or Personal ~~Services are~~services are manufactured, produced, or performed in Oregon, provided that the criteria reasonably relate to that determination, and provided that the District applies those criteria equally to each Offer.

(4) Procedure for Drawing Lots. When this ~~Rule~~rule calls for the drawing of lots, the District shall draw lots by a procedure that affords each Offeror subject to the drawing a substantially equal probability of selection and that does not allow the Person making the selection the opportunity to manipulate the drawing of lots to increase the probability of selecting one Offeror over another.

(5) Discretionary Preference and Award. Under ORS 279A.128, the District may provide, in a Solicitation Document for ~~Goods, Services~~goods, services, or Personal ~~Services~~services, a specified percentage preference of not more than 10 percent for ~~Goods~~ (i) goods fabricated or processed entirely in Oregon or ~~Services~~services or Personal ~~Services~~services performed entirely in Oregon or (ii) for goods or

services provided by a benefit company that is incorporated, organized, formed or created under ORS 60.754 and has the majority of the benefit company's regular, full-time workforce located in this state, if the goods or services cost not more than five percent more than the goods or services available from a contractor that is not a benefit company. When the District provides for a preference under this section and more than one Offeror qualifies for the preference, the District may give a further preference to a qualifying Offeror that resides in or is headquartered in Oregon. The District may establish a preference percentage higher than 10 percent by ~~Written~~written order that finds ~~good cause~~Good Cause to establish the higher percentage and that explains the District's reasons and evidence for finding ~~good cause to~~Good Cause to establish a higher percentage. The District may not apply the preferences described in this section in a ~~Procurement~~procurement for Emergency Work, minor alterations, ordinary repairs or maintenance of public improvements, or construction Work that is described in ORS 297C.320.

PPS 46-0310 Reciprocal Preferences

(1) When evaluating Bids pursuant to PPS 47-0255 through 47-0257, 49-0390, or PPS 49-0640 through 49-0660, the District ~~must~~shall add a percentage increase to the Bid of a Nonresident ~~Bidder~~bidder equal to the percentage, if any, of the preference that would be given to that ~~Bidder~~bidder in the state in which the ~~Bidder~~bidder resides. The District may rely on the list prepared and maintained by the ~~state~~Oregon Department of Administrative services pursuant to ORS 279A.120(4) to determine ~~both~~ whether the Nonresident ~~Bidder's~~bidder's state gives preference to in-state ~~Bidders~~bidders and the amount of such preference.

PPS 46-0320 Preference for Recycled Materials

(1) Notwithstanding provisions of law requiring the District to ~~Award~~award a Contract to the lowest or best Offeror, and in accordance with ~~Section~~section (2) of this ~~Rule~~rule, the District may give preference to the ~~Procurement of Goods~~procurement of goods manufactured from Recycled Materials whenever the District uses ~~Competitive Sealed Bidding or Competitive Sealed~~competitive sealed bidding or competitive sealed Proposals and as set forth in this ~~Rule~~rule.

(2) In comparing ~~Goods~~goods from two or more Offerors, if at least one Offeror Offers ~~Goods~~goods manufactured from Recycled Materials and at least one Offeror does not, the District may select the Offeror offering ~~Goods~~goods manufactured from Recycled Materials if each of the following four conditions exists:

- **(a)** The Recycled Product is available;
- **(b)** The Recycled Product meets applicable standards;
- **(c)** The Recycled Product can be substituted for a comparable non-recycled product; and
- **(d)** The Recycled Product's costs do not exceed the costs of non-recycled products by more than 5 percent, or a higher percentage if a ~~Written~~written determination is made by the District and set forth in the Solicitation Document. For purposes of making the foregoing determination, the District ~~must~~shall consider the costs of the ~~Goods~~goods following any adjustments the District makes to the price of the ~~Goods~~goods for purposes of evaluation pursuant to PPS 46-0310.

(3) Offerors ~~must~~shall certify in their Offers:

- **(a)** The minimum, if not exact, percentage of Recycled Product in all materials and supplies offered; and
- **(b)** Both the post-consumer and Secondary Waste Content thereof.

(4) To be eligible for a preference under ORS 279A.125 and this ~~Rule~~rule:

- **(a)** The Offeror ~~must~~shall indicate which materials and supplies contain verifiable recycled content; and

(b) Such products ~~must~~shall meet the requirements of ORS 279A.125 and this ~~Rule~~rule.

(5) A preference under ORS 279A.125 will only be applied to those products in the Offer that contain verifiable recycled content.

(6) Offers that contain false information about (a) the percentage of Recycled Product, post-consumer, and Secondary Waste Content or (b) verifiable recycled content, ~~must~~shall be rejected as non-responsive, and the Offeror offering false information may be deemed non-responsible.

PPS 46-0330 Solicitations and Specifications to Comply With School Board Environmental and Sustainability Policies.

The District shall develop specifications for and procure ~~Goods, Services~~goods, services, and Public Improvements in compliance with the applicable School Board environmental and sustainability policies, including, but not limited to Board Policy 3.30.080-P (Resource Conservation), 3.30.082-P (Environmentally Sustainable Business Practices), and 8.80.010-P (High Performance Facility Design), and related Administrative Directives adopted by the Superintendent.

COOPERATIVE PROCUREMENT

PPS 46-0400 Authority for Cooperative Procurements

(1) The District may participate in, sponsor, conduct, or administer any of the following:

(a) Joint Cooperative ~~Procurements~~procurements to establish Original Contracts or Contracts for the acquisition of ~~Goods and Services~~goods or services using a source-selection method substantially equivalent to those set forth in ORS 279B.055, 279B.060, or 279B.085, or to establish Original Contracts or Contracts for Public Improvements that use a ~~Competitive~~competitive Bidding process substantially equivalent to that set forth in ORS 279C.005 through 279C.870.

(b) Permissive Cooperative ~~Procurements~~procurements to establish Original Contracts or Contracts for the acquisition of ~~Goods and Services~~goods or services only, using a source-selection method substantially equivalent to those set forth in ORS 279B.055 or 279B.060.

(c) Interstate Cooperative ~~Procurements~~procurements to establish Original Contracts or Contracts for the acquisition of ~~Goods and Services~~goods or services only, using a source selection method substantially equivalent to those set forth in ORS 279B.055 or 279B.060.

(2) The District ~~must~~shall determine, in ~~Writing~~writing, whether the ~~solicitation and Award~~Solicitation and award process for an Original Contract arising out of a Cooperative ~~Procurement~~procurement is substantially equivalent to those identified in ORS 279B.055, 279B.060, or 279B.085 in accordance with ORS 279A.200(2). This ~~Written~~written documentation ~~must~~shall be maintained in the District's ~~Procurement File~~Solicitation file.

PPS 46-0410 Responsibilities of Administering Contracting Agencies and Purchasing Contracting Agencies

(1) If the District is an Administering Contracting Agency of a Cooperative ~~Procurement~~procurement, the District may establish the conditions under which Persons may participate in the Cooperative ~~Procurement~~procurement administered by the District. Such conditions may include, without limitation, whether each Person who participates in the Cooperative ~~Procurement must~~procurement shall pay administrative fees to the Administering Contracting Agency, whether each Person ~~must~~shall enter into a ~~Written~~written agreement with the District, and any other matters related to the administration of the Cooperative ~~Procurement~~procurement and the resulting Original Contract. When acting as an Administering Contracting Agency, the District may, but is not required to, include provisions in the Solicitation Document

for a Cooperative ~~Procurement~~procurement and advertise the Solicitation Document in a manner to assist Purchasing Contracting Agencies' compliance with the Code or these ~~Rules~~rules.

(2) If the District is acting as a Purchasing Contracting Agency and enters into a Contract based on a Cooperative ~~Procurement~~procurement, the District shall comply with the Code and these ~~Rules~~rules, including, without limitation, those sections of the Code and these ~~Rules~~rules that govern:

(a) The extent to which the Purchasing Contracting Agency may participate in the Cooperative ~~Procurement~~procurement;

(b) The advertisement of the Solicitation Document related to the Cooperative ~~Procurement~~procurement; and

(c) Public notice of the Purchasing Contracting Agency's intent to establish Contracts based on a Cooperative ~~Procurement~~procurement.

PPS 46-0420 Joint Cooperative Procurements

(1) Applicability. The District may participate in, sponsor, conduct, or administer a Joint Cooperative ~~Procurement~~procurement for the purchase of ~~Goods~~goods or ~~Services~~services or Public Improvements. The District ~~must~~shall comply with the procedures set out in ORS 279A.210 and these ~~Rules~~rules to procure ~~Goods and Services~~goods or services or Public Improvements using a Joint Cooperative ~~Procurement~~procurement. Only the Participating agencies listed in the ~~solicitation~~Solicitation and original Contract Documents may enter into a Contract through a Joint Cooperative ~~Procurement~~procurement. A Joint Cooperative ~~Procurement~~procurement may not be a Permissive Cooperative ~~Procurement~~procurement.

(2) Solicitation Requirements. The District may administer or participate in a Joint Cooperative ~~Procurement~~procurement only if:

(a) The Administering Contracting Agency's solicitation and ~~Award~~award process for the Original Contract is an open and impartial competitive process and uses source-selection methods substantially equivalent to those specified in ORS 279B.055, 279B.060, or 279B.085, or uses a ~~Competitive~~competitive Bidding process substantially equivalent to the ~~Competitive~~competitive Bidding process in ORS 279C;

(b) The Administering Contracting Agency's solicitation and the Original Contract or Price Agreement identifies the Cooperative ~~Procurement~~procurement Group or each participating Purchasing Contracting Agency and specifies the estimated Contract requirements; and

(c) No material change is made in the terms, conditions, or prices of the Contract between the Contractor and the Purchasing Contracting Agency from the terms, conditions, and prices of the Original Contract between the Contractor and the Administering Contracting Agency.

PPS 46-0430 Permissive Cooperative Procurements

(1) Applicability. The District may only participate in, sponsor, conduct, or administer a Permissive Cooperative ~~Procurement~~procurement for the purchase of ~~Goods~~goods or ~~Services~~services, but not for Public Improvements. The District ~~must~~shall comply with the procedures set out in ORS 279A.215 and these ~~Rules~~rules to procure ~~Goods and Services~~goods or services using a Permissive Cooperative ~~Procurement~~procurement. A Permissive Cooperative ~~Procurement~~procurement is not a Joint Cooperative ~~Procurement~~procurement.

(2) Solicitation Requirements. The District may establish or participate in a Contract or Price Agreement through a Permissive Cooperative ~~Procurement~~procurement only if:

(a) The Administering Contracting Agency's solicitation and ~~Award~~award process for the Original Contract is an open and impartial competitive process and uses source-selection methods substantially equivalent to those specified in ORS 279B.055 or 279B.060;

(b) The Administering Contracting Agency's solicitation and the Original Contract allow other Contracting Agencies to establish Contracts or Price Agreements under the terms, conditions, and prices of the Original Contract;

(c) The Contractor agrees to extend the terms, conditions, and prices of the Original Contract to the Purchasing Contracting Agency; and

(d) No material change is made in the terms, conditions, or prices of the Contract or Price Agreement between the Contractor and the Purchasing Contracting Agency from the terms, conditions, and prices of the Original Contract between the Contractor and the Administering Contracting Agency.

PPS 46-0440 Required Public Notice if Permissive Cooperative ~~Procurement~~procurement Is Over $250,000

(1) The District ~~must~~shall publish a notice of its intent to enter into a Contract through a Permissive Cooperative ~~Procurement~~procurement if the District estimates that it will spend in excess of $250,000 for the purchase of the ~~Goods and Services~~goods or services to be acquired under the Contract.

(2) For purposes of determining if the District ~~must~~shall give a notice of intent, the District ~~will~~shall spend in excess of $250,000 for ~~Goods and Services~~goods or services procured under the Contract if:

(a) The District intends to make payments, in aggregate, over the term of the Contract in excess of $250,000, whether or not the total amount or value of the payments is expressly stated in the Contract;

(b) The District's Contract expressly provides for payment, whether a fixed or maximum price, in excess of $250,000; or

(c) At the time the District enters into the Contract, the District reasonably contemplates, based on historical or other data available to the District, that the total payments it will make for the ~~Goods~~goods or ~~Services~~services, or Personal ~~Services~~services, under the Contract will, in aggregate, exceed $250,000 over the anticipated duration of the Contract.

(3) The notice of intent ~~must~~shall contain the following information:

(a) A description of the ~~Procurement~~procurement;

(b) An estimated amount of the ~~Procurement~~procurement;

(c) The name of the Administering Contracting Agency, and

(d) A time, place, and date by which comments ~~must~~shall be submitted to the District regarding the notice of intent to establish a Contract or Price Agreement through the Permissive Cooperative ~~Procurement~~procurement.

(4) The notice ~~must~~shall be published:

(a) At least once in at least one newspaper of general circulation in the District or electronically in the same manner as the District publishes electronic notices of Invitations to Bid or Requests for Proposals; and

(b) No fewer than seven ~~Days~~days before the deadline for submission of comments regarding the notice of intent to establish a Contract or Price Agreement through a Permissive Cooperative ~~Procurement~~procurement.

(5) Vendors ~~must~~shall submit comments within seven ~~Days~~days after the notice of intent is published.

(6) If the District receives comments on its intent to establish a Contract, the District ~~must~~shall, prior to establishing a Contract or Price Agreement:

(a) Make a ~~Written~~written determination that establishing a Contract is in the best interest of the District.

(b) Provide a copy of the ~~Written~~written determination to all vendors that submitted comments.

PPS 46-0450 Interstate Cooperative Procurements

(1) Applicability. The District may only participate in an Interstate Cooperative ~~Procurement~~procurement for the purchase of ~~Goods and Services~~goods or services pursuant to ORS 279A.220 and these ~~Rules~~rules to procure ~~Goods~~goods or ~~Services~~services, but not Public Improvements.

(2) Solicitation Requirements. The District may establish a Contract or Price Agreement through an Interstate Cooperative ~~Procurement~~procurement only if:

(a) The Administering Contracting Agency's solicitation and ~~Award~~award process for the Original Contract is an open and impartial competitive process and uses source selection methods substantially equivalent to those specified in ORS 279B.055 or 279B.060;

(b) The Administering Contracting Agency's solicitation and the Original Contract allows other governmental bodies to establish Contracts or Price Agreements under the terms, conditions, and prices of the Original Contract; and

(c) The Administering Contracting Agency permits the Contractor to extend the use of the terms, conditions, and prices of the Original Contract to the Purchasing Contracting Agency.

PPS 46-0460 Advertisements of Interstate Cooperative Procurements

The District may only participate in an Interstate Cooperative ~~Procurement~~procurement if at least one of the following occurs:

(1) The Solicitation Document for the Interstate Cooperative ~~Procurement~~procurement lists the District, or the Cooperative ~~Procurement~~procurement Group of which the District is a member, as a party that may establish Contracts or Price Agreements under the terms, conditions, and prices of the Original Contract, and the Solicitation Document is advertised in Oregon in compliance with ORS 279B.055(4) or 279B.060(4) by:

(a) The Administering Contracting Agency;

(b) The District;

(c) The Cooperative ~~Procurement~~procurement Group, or a member of the Cooperative ~~Procurement~~procurement Group of which the District is a member; or

(d) Another Purchasing Contracting Agency that is subject to the Code, so long as such advertisement would, if given by the Purchasing Contracting Agency, comply with ORS 279B.055(4) or 279B.060(4) with respect to the Purchasing Contracting Agency.

(2) If the Solicitation Document issued by the Administering Contracting Agency was not advertised in accordance with PPS 46-0460(1), the District gives notice of its intent to enter into a Public Contract or Price Agreement based on the terms of the Interstate Cooperative ~~Procurement~~procurement.

(a) The notice of intent ~~must~~shall contain the following information:

(A) A description of the ~~Procurement~~procurement;

(B) An estimated amount of the ~~Procurement~~procurement;

(C) The name of the Administering Contracting Agency, and;

(D) A time, place, and date by which comments ~~must~~shall be submitted to the District regarding the notice of intent to establish a Contract or Price Agreement through the Interstate Cooperative ~~Procurement~~procurement.

(b) The notice ~~must~~shall be published:

(A) At least once in at least one newspaper of general circulation in the District or electronically in the same manner as the District publishes electronic notices of ITB or RFP; and

(B) No fewer than seven ~~Days~~days before the deadline for submission of comments regarding the notice of intent to establish a Contract or Price Agreement through a Permissive Cooperative ~~Procurement~~procurement.

(c) Vendors ~~must~~shall submit comments within seven ~~Days~~days after the notice of intent is published.

(d) If the District receives comments on its ~~Intent~~intent to establish a Contract, the District ~~must~~shall, prior to establishing a Contract or Price Agreement:

(A) Make a ~~Written~~written determination that establishing a Contract is in the best interest of the District.

(B) Provide a copy of the ~~Written~~written determination to all vendors that submitted comments.

PPS 46-0470 Protest and Disputes; Cooperative Procurements

(1) An Offeror or potential Offeror wishing to protest the ~~Procurement~~procurement process, the contents of a Solicitation Document related to a Cooperative ~~Procurement~~procurement, or the ~~Award~~award or proposed ~~Award~~award of an Original Contract shall make the protest in accordance with ORS 279B.400 through 279B.425, unless the Administering Contracting Agency is not subject to the Code. If the Administering Contracting Agency is not subject to the Code, then the Offeror or potential Offeror shall make the protest in accordance with the processes and procedures established by the Administering Contracting Agency.

(2) Any other protests related to a Cooperative ~~Procurement~~procurement, or disputes related to a Contract arising out of a Cooperative ~~Procurement~~procurement, shall be made and resolved as set forth in ORS 279A.225.

(3) The failure of the District or other Purchasing Contracting Agency to exercise any rights or remedies it has under a Contract entered into through a Cooperative ~~Procurement~~procurement shall not affect the rights or remedies of the District or any other Contracting Agency that participates in the Cooperative ~~Procurement~~procurement, including the Administering Contracting Agency, and shall not prevent any other Purchasing Contracting Agency from exercising any rights or seeking any remedies that may be available to it under its own Contract arising out of the Cooperative ~~Procurement~~procurement.

PPS 46-0480 Contract Amendments; Cooperative ~~Procurements~~procurements

The District may amend a Contract entered into pursuant to a Cooperative ~~Procurement~~procurement as set forth in PPS 47-0800 or PPS 49-0910, as applicable.

PERSONAL SERVICES CONTRACTS

PPS 46-0500 Personal Services Contract Definition

(1) Pursuant to ORS 279A.055(2), a Contract for Personal ~~Services~~services ("PSC") is a Contract primarily for the provision of Services that require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of ~~Services~~services depends on attributes that are unique to the service provider.

(2) PSCs that fall within the definition in ~~Section~~section (1) of this ~~Rule~~rule include, but are not limited to, the following:

- **(a)** Contracts for ~~Services~~services performed in a professional capacity, including services of an accountant, attorney, medical professional (e.g., doctor, dentist, nurse, counselor), information technology consultant, or broadcaster, except for Architectural, Engineering, Photogrammetric Mapping or Land Surveying ~~Services~~services and other construction-related professional services subject to ~~Division~~division 48 of these ~~Rules~~rules;
- **(b)** Contracts for ~~Services~~services as an artist in the performing or fine arts, including any Person identified as a photographer, filmmaker, actor, director, painter, weaver, or sculptor;
- **(c)** Contracts for ~~Services~~services that are specialized, creative, or research-oriented;
- **(d)** Contracts for educational services;
- **(e)** Contracts for human custodial care, child care, mental health care, health services, social and emergency services, and other human services; and
- **(f)** Contracts for other professional or technical consulting services not listed above.

(3) The Contract Review Board delegates to the Superintendent the discretion to decide whether a particular type of Contract or ~~Service~~service falls within the definition of "Personal ~~Services~~services Contract" as set forth in Sections (1) and (2) of this ~~Rule~~rule.

(4) The District shall not use PSCs to obtain and pay for the ~~Services~~services of an employee. A PSC may be used only to obtain and pay for the ~~Services~~services of an independent Contractor.

PPS 46-0505 Personal Service Contract Formal Selection Procedures

The District ~~will~~shall use a formal selection procedure if the estimate contract amount of personal services contract is greater than $~~150,000~~250,000. All formal RFP and RFQ solicitations ~~must~~shall comply with the requirements for ~~Competitive Sealed~~competitive sealed Proposals contained in ORS 279B.060 and may be solicited, processed, and reviewed through any of the Sealed ~~Proposal Procurement~~proposal procurement methods set forth in PPS 47-0260 to 47-0263.

PPS 46-0510 PSC Informal Selection Procedures

The District may use an informal selection process to obtain Personal ~~Services~~services when a formal selection process is not required.

(1) The informal selection process ~~must~~shall solicit responses/Proposals from at least three qualified Contractors offering the required ~~Services~~services. If three Proposals are not reasonably available, fewer will suffice, but the District shall make a ~~Written~~written record of the effort made to obtain at least three Proposals.

(2) The informal selection process is intended to be competitive. The selection and ranking may be based on criteria including, but not limited to, each Proposer's:

(a) Particular capability to perform the ~~Services~~services required;

(b) Experienced staff available to perform the ~~Services~~services required, including each Proposer's recent, current, and projected workloads;

(c) Performance history;

(d) Approach and philosophy used in providing ~~Services~~services;

(e) Fees or costs;

(f) Geographic proximity to the ~~Project~~project or the area where the ~~Services~~services are to be performed; and

(g) Work volume previously ~~Awarded~~awarded by the District, with the object of effecting an equitable distribution of Contracts among qualified Contractors. But distribution ~~must~~shall not violate the policy of selecting the most highly qualified Contractor to perform the ~~Services~~services at a fair and reasonable price.

Written confirmation of solicitation attempts and responses with Contractor names and addresses shall be maintained in the District's ~~Procurement File~~Solicitation file.

PPS 46-0515 Other Approved Solicitation Methods

(1) Request for Qualifications. An RFQ may be used to determine that competition does not exist for a particular ~~Service~~service, to establish a list of qualified Contractors for RFPs or for informal solicitations under these ~~Rules~~rules, or to establish an FSCP as provided in PPS 46-0520.

(a) The RFQ ~~must~~shall at least describe the particular specialty desired, the qualifications the Contractor ~~must~~shall have in order to be considered, and the evaluation factors and their relative importance. The RFQ may require information including, but not limited to, the Contractor's particular capability to perform the required ~~Services~~services; the number of experienced staff available to perform the required ~~Services~~services, including specific qualifications and experience of personnel; a list of similar ~~Services~~services the Contractor has completed with references concerning past performance; and any other information necessary to evaluate Contractor qualifications.

(b) A qualifications pre-submission meeting (voluntary or mandatory) may be held for all interested Contractors to discuss the proposed ~~Services~~services. The RFQ ~~must~~shall include the date, time, and place of the meeting.

(c) Unless the RFQ establishes that competition does not exist or that Contracts will be individually negotiated with Contractors in an FSCP, each Contractor qualified under an RFQ will receive a notice (or other materials as appropriate) of any required ~~Services~~services and have an opportunity to submit a ~~Proposal~~proposal or Price ~~Quote~~quote in response to the District's subsequent RFP.

(2) Price Agreements. The District may enter into Price Agreements for Personal ~~Services~~services. Such Price Agreements shall be solicited as otherwise required by these ~~Rules~~rules based on the maximum Contract amount.

(3) Cooperative ~~Procurement~~procurement. The District may contract for Personal ~~Services~~services pursuant to a Cooperative ~~Procurement~~procurement in compliance with PPS 46-0400 to 46-0480.

PPS 46-0520 Flexible Services Contractor Pool

The Superintendent may establish an FSCP for a particular class of ~~Services~~services where the need for such ~~Services~~services is ongoing in nature, where it is difficult to anticipate the ~~Service~~service need, time, amount,

or availability of Contractors, or where ~~Service~~service needs arise so quickly that it is not practical or cost-effective to conduct individual solicitations under these ~~Rules~~rules. An FSCP shall comply with the following requirements:

(1) Solicitation to Create an FSCP. An FSCP can be established pursuant to an RFQ, an RFP, ~~Competitive Quotes~~competitive quotes, or such other method of competitive ~~Procurement~~procurement as the Superintendent deems to be appropriate given the ~~Services~~services to be procured.

(a) The Superintendent shall document in the ~~Procurement File~~Solicitation file the reasons for establishing an FSCP consistent with this ~~Rule~~rule. This documentation ~~must~~shall be reviewed and approved by the Director of ~~Procurement~~procurement as demonstrating that the ~~Procurement~~procurement qualifies for use of an FSCP under these ~~Rules~~rules.

(b) The solicitation shall describe the class of Contracts that can be ~~Awarded~~awarded to Contractors in the FSCP. The District may not ~~Award~~award Contracts outside the designated class of Contracts to the FSCP.

(c) The solicitation shall set forth the number of Contractors that will be appointed to the FSCP, the selection criteria, and the methodology for ranking the requests and selecting the Contractors to be appointed to the pool.

(d) The solicitation may request a binding Price ~~Quote~~quote or rate that will become part of a subsequent Contract or may establish the pool based on qualification alone.

(e) The solicitation may set or limit the value of the ~~Work~~work performed by the FSCP.

(2) Contracting for Work From an FSCP.

(a) Once an FSCP has been established, the Superintendent may negotiate Contracts directly with Contractors in the pool to perform individual ~~Projects~~projects within the established scope of the ~~Work~~work. Upon creation of the FSCP, the Superintendent will generate a random list of names of the Contractors appointed to the FSCP. Contracts for individual ~~Projects~~projects will be offered, negotiated, and ~~Awarded~~awarded sequentially to Contractors on the FSCP list. Once the superintendent has offered Work to all the Contractors in the FSCP (whether or not some or all of the Contractors have accepted the Offer), a new random FSCP list will be generated. The Superintendent may Offer Work out of sequence in the following circumstances:

(A) The Contractor that is next on the list declines or is unavailable during the time period needed.

(B) Contract negotiations with the next-listed Contractor are not successful.

(C) The ~~Project~~project is for Work that is a continuation of, addition to, or connected with Work previously performed by a Contractor on the list and such prior experience means that it is in the best interest of the District to ~~Award~~award the Contract to the Contractor that performed the prior Work.

(D) The nature of the ~~Project~~project is such that the Superintendent determines that an additional analysis of Contractor capability is required. In order to make this determination, the Superintendent shall conduct an informal ~~Procurement~~procurement pursuant to PPS 46-0510 limited to Contractors in the FSCP.

If a Contractor is selected outside of the sequence, the reason shall be documented in ~~Writing~~writing in the ~~Procurement File~~Solicitation file.

(b) An FSCP established under this section will expire after three years from the date of Closing of the ~~solicitation~~Solicitation, unless reestablished as provided in this ~~Rule~~rule.

(c) Appointment to an FSCP does not guarantee that a Contractor will receive a particular amount of ~~Work~~work or any Work at all.

(d) The establishment of an FSCP does not preclude the Superintendent from procuring Work that would otherwise fall within the FSCP class of ~~Work~~work from other Contractors through any other ~~Procurement~~procurement method authorized under these ~~Rules~~rules.

(e) At any time during the term of an FSCP, the Superintendent may request confirmation from a Contractor or Contractors in the pool that the Contractor continues to maintain the skills, personnel, or other capability needed to perform the class of ~~Work~~work.

PPS 46-0525 PSC Selection by Negotiation

The Superintendent may procure Personal ~~Services~~services with Contractors through direct negotiation in any of the following circumstances:

(1) The Contract Price is not more than $~~50,000~~75,000.

(2) The Superintendent has established an FSCP pursuant to PPS 46-0520(2) for a particular class of ~~Projects~~projects, and the Contractor is on the FSCP list.

(3) The nature of the ~~Work~~work is not ~~Project-driven~~project-driven but requires an ongoing, long-term relationship of knowledge and trust. Examples of such Work include insurance brokerage/agent of record services, medical services, and audit services.

(4) The Contractor possesses unique knowledge and/or expertise in a specialized service area, making competition impractical. Such ~~Services~~services can include, but are not limited to, education ~~Services~~services, academic and staff coaching, school sports officiation, and community relations.

(5) The Contract is for the purpose of supporting the Benson Polytechnic High School Building Construction Class, and all or a portion of the Contract Price is discounted or donated to the District.

(6) A Contract for which a non-District funding source, e.g., a Grant or a federal, state, or city contract, identifies the Contractor in the funding award or makes a funding award conditioned upon the ~~Service~~service being performed by a specific Contractor. The following ~~must~~shall be documented to the ~~Procurement File~~Solicitation file:

(a) The name of the external funding source;

(b) The background on how the funding source selected the Contractor(s); and

(c) A copy of the funder's document naming the Contractor.

(7) A Contract where the student, parent, or other third-party participant selects the service provider and the process for selecting qualified Contractors has been approved in advance by the Director of ~~Procurement~~procurement.

(8) The Contract is entered into pursuant to an emergency declared by the Superintendent.

(9) The Contract is for the provision of child care services to District students where the Contractor is paid directly by a non-District funding source (generally parents).

(10) The Contract is for the provision of tutoring to eligible District students attending private schools as per Title I.

(11) The Contract is for interim staff or temporary staffing services.

(12) The Contract is for the provision of therapeutic placement with outside agencies or programs to meet needs identified in a student's Individualized Education Program ("IEP").

(13) The Contract is for legal services. For the purposes of this section, "legal services" means attorney and paralegal services for transactional work, litigation, investigations, advice, reports, and other services requiring legal advice or work by an attorney, and includes all related costs or fees.

(14) The Contract is for services provided by those in the medical community including, but not limited to, doctors, physicians, psychologists, nurses, laboratory technicians and those with specific license or unique skill to administer treatments for the health and well-being of people."

PPS 46-0530 PSC Contract Requirements

District PSCs ~~must~~shall contain the mandatory Contract provisions set forth in ORS 279B.020(5), 279B.220, 279B.230, 279B.235(3), and, if the Contract involves lawn or landscape maintenance, ORS 279B.225.

PPS 46-0535 PSC Contract Amendments

(1) The District may amend any Personal ~~Services~~services Contract if the District, in its sole discretion, determines that the ~~Amendment~~amendment is within the scope of the Solicitation and that the ~~Amendment~~amendment would not materially impact the field of competition for the Personal ~~Services~~services described in the final form of the original ~~Procurement~~procurement document. In making this determination, the District shall consider potential alternative methods of procuring the ~~Services~~services contemplated under the proposed ~~Amendment~~amendment. An ~~Amendment~~amendment would not materially impact the field of competition for the ~~Services~~services described in the Solicitation Document if the District reasonably believes that the number of Proposers would not significantly increase if the ~~Procurement~~procurement document were re-issued to include the additional ~~Services~~services.

(2) The District may ~~Amend~~amend any Contract if the additional ~~Services~~services are required by reason of existing or new laws, rules, regulations, or ordinances of federal, state, or local agencies which affect performance of the Original Contract.

(3) All ~~Amendments~~amendments to Contracts ~~must be in Writing, must be Signed~~shall be in writing, shall be signed by an authorized representative of the Consultant and the District, and ~~must~~shall receive all required approvals before the ~~Amendments~~amendments will be binding on the District.

~~**(4)** A single contract amendment or cumulative amendments may not increase the total Contract Price to greater than 125 percent of the original Contract Price, except in any of the following circumstances:~~

~~**(a)** The Superintendent determines that the need for the amendment is caused by unforeseen conditions or circumstances and conducting a new procurement would result in unreasonable additional cost or delay. For the purposes of this section:~~

~~**(A)** An "unforeseen condition or circumstance" is one that is discovered after the original contract was solicited and awarded that could not have been reasonably anticipated as part of the original solicitation or contract.~~

~~**(B)** "Unreasonable additional cost or delay" means that the cost of conducting a new procurement and/or awarding a new contract is likely to exceed the cost of a contract amendment and/or that the delay caused by conducting a new procurement would cause a break in service, require repetition of earlier work, or cause a delay in completion of the contract that would be detrimental to the District program or service benefiting from the contract.~~

~~**(b)** The Superintendent determines that the amendment, additional scope, or alternative work was contemplated in the original procurement and provided for in the original contract. (Examples include a solicitation and contract that provides for renewal or extension for subsequent terms or that specifically allows for alternates or additional work.)~~

~~**(c)** The Amendment is presented to the School Board as part of the Board's business consent agenda and the Board approves the Amendment based upon the circumstances of the particular contract. The Superintendent shall set forth the justification for the Amendment in a supplementary staff report enclosed with the Board's consent agenda.~~

(4) ~~**(5)**~~ **Amendments That Would Cause a Contract to Exceed the Superintendent's Authority**. An amendment to a contract approved by the Superintendent that would cause the total Contract Price to exceed the Superintendent's delegated authority to approve contracts under PPS 45-0200 ~~must~~shall be approved by the School Board except as provided in PPS 45-0200(7)(b).

PROCUREMENT OF CONTRACTS FUNDED IN WHOLE OR IN PART BY FEDERAL AWARD

PPS 46-0600 General Rule: Federal Law Prevails in Case of Conflict

When a District contract involves federal funds that require compliance with federal statutes or regulations, the federal statutes and regulations govern over any conflicting provisions in these rules or the State of Oregon Public Contracting Code. See ORS 279A.030. Notwithstanding the foregoing, when both state and federal prevailing rates of wage apply to a particular, the District shall require payment not less than the higher of the applicable state or federal prevailing rate of wage. See ORS 279C.830.

PPS 46-0605 ~~Procurements~~procurements Subject to the Uniform Guidance

~~Procurement~~procurement of contracts supported in whole or in part by Federal ~~Award~~award are generally subject to the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 to 200.326. PPS 46-600 to 625 are intended to comply with Uniform Guidance and supersede other District procurements with regard to procurement of contracts supported in whole or in part by Federal ~~Award~~award.

PPS 46-0610 General ~~Procurement~~procurement Standards for Contracts Subject to the Uniform Guidance

If the District contract is supported in whole or in part by a Federal ~~Award~~award, the following provisions apply to the Contract:

(1) The District shall apply the procedures in these rules to avoid acquisition of unnecessary or duplicative items. The District ~~will~~shall consolidate or break out procurements when necessary to make a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(2) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the District is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(3) The District is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(4) The District ~~will~~shall include value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(5) The District ~~will~~shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(6) The District ~~will~~shall maintain records sufficient to detail the history of the particular procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(7) Time and Material Contracts.

(a) The District may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. For the purposes of this section "time and materials type contract" means a contract whose cost to the District is the sum of:

(A) The actual cost of materials; and

(B) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(b) All time and materials contract shall include a ceiling price that the contractor exceeds at its own risk.

(c) The District ~~will~~shall conduct sufficient oversight of a time a time and materials type contract to obtain reasonable assurance that the contractor is using efficient methods and cost controls.

PPS 46-0615 Required Competition

All procurement transactions for contracts supported in whole or in part by federal award ~~must~~shall be conducted in a manner providing full and open competition consistent with the standards of this section.
(1) Contractors that develop or draft specifications, requirements, statements of work, and invitations to ~~bid~~Bid or requests for proposals ~~must~~shall be prohibited from competing for such procurement.

(2) The District ~~will~~shall not unreasonable restrict competition by:

(a) Imposing unreasonable prequalification requirements;

(b) Requirement unnecessary experience and excessive bonding;

(c) Allowing or requiring non-competitive pricing practices between firms or affiliated companies;

(d) Awarding non-competitive contracts to consultants that are on retaining contracts;

(e) Allowing organizational conflicts of interest;

(f) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance or other relevant requirements of the procurement; or

(g) Taking any arbitrary action in the procurement process.

(3) The District may not apply any statutory or administratively imposed state or local geographical preferences except where allowed or mandated by applicable federal statutes. Nothing in this section preempts state licensing requirements. In addition, contracts for architectural and engineering services may include geographical location as a selection criterion provided its applications leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(4) A District procurement ~~must~~shall:

(a) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured, but should not be so detailed or restrict that it unduly restricts competition; and

(b) Identify all requirements that bidders or proposers ~~must~~shall fulfill and all other factors to be used in evaluating bids or proposals.

(5) The District ~~must~~shall ensure that all prequalified lists of persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District ~~must~~shall allow potential bidders to qualify during the ~~solicitation~~Solicitation period.

PPS 46-0620 Procurement by Micro-Purchases

~~Procurement~~procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold. The current micro-purchase threshold is set at $10,000, but is periodically adjusted. The most current threshold is set forth at 48 CFR Subpart 2.101 (Definitions). To the extent practicable, the District ~~must~~shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable.

PPS 46-0625 Procurement by Small Purchase Procedures

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. The Simplified Acquisition threshold is set at $250,000, but is periodically adjusted. The most current threshold is set forth at 48 CFR Subpart 2.1. If small purchase procedures are used, the District ~~must~~shall obtain price or rate quotation from an adequate number of qualified sources.

PPS 46-0630 Procurement by Sealed Bids (Formal Advertising)

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) supported by a Federal ~~Award must~~award shall be awarded to the responsible bidder whose ~~bid~~Bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed ~~bid~~Bid method is the preferred method for procuring construction, if the conditions in paragraph (1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(a) A complete, adequate, and realistic specification or purchase description is available;

(b) Two or more responsible bidders are willing and able to compete effectively for the business; and

(c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(a) Bids ~~must~~shall be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids ~~must~~shall be publicly advertised;

(b) The invitation for bids, which will include any specifications and pertinent attachments, ~~must~~shall define the items or services in order for the bidder to properly respond;

(c) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids ~~must~~shall be opened publicly;

(d) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs ~~must~~shall be considered in determining which ~~bid~~Bid is lowest. Payment discounts will only be used to determine the low ~~bid~~Bid when prior experience indicates that such discounts are usually taken advantage of; and

(e) Any or all bids may be rejected if there is a sound documented reason.

PPS 46-0635 Procurement by Competitive Proposals

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used for contracts supported by a Federal ~~Award~~award, the following requirements apply:

(1) Requests for proposals ~~must~~shall be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals ~~must~~shall be considered to the maximum extent practical;

(2) Proposals ~~must~~shall be solicited from an adequate number of qualified sources;

(3) The District ~~will~~shall establish a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts ~~must~~shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Notwithstanding ORS 279C.100 to 279C.124 and OAR ~~Division~~division 48, qualifications-based selection can only be used in procurement of A/E professional services.

PPS 46-0640 Procurement by Noncompetitive Proposals

~~Procurement~~procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only for contracts supported by a Federal ~~Award~~award when one or more of the following circumstances apply:

(1) The item is available only from a single source;

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or

(4) After solicitation of a number of sources, competition is determined inadequate.

PPS 46-0645 Contracting With Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

(1) The District ~~must~~shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps ~~must~~shall include:

(a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(b) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(d) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(e) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(f) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (a) through (f) of this section.

PPS 46-0650 Procurement of Recovered Materials

The District and its contractors ~~must~~shall comply with ~~Section~~section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of ~~Section~~section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

PPS 46-0655 Contract Cost and Price

(1) The District ~~must~~shall perform a cost or price analysis in connection with every procurement action supported by a Federal ~~Award~~award in excess of the Simplified Acquisition Threshold including contract modifications. The District ~~must~~shall make independent estimates before receiving bids or proposals.

(2) The District ~~must~~shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration ~~must~~shall be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under the Federal ~~Award~~award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under 2 CFR Subpart E—Cost Principles. The District may reference its own cost principles that comply with the Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

PPS 46-0660 Federal ~~Awarding~~awarding Agency or Pass-Through Entity Review

At the request the Federal awarding agency or the pass through entity, the District ~~will~~shall make available all relevant procurement documents for review as required by 2 CFR ~~Section~~section 200.324.

PPS 46-0665 Bonding Requirements

For construction or facility improvement contracts or subcontracts supported by a Federal ~~Award~~award exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the District provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements ~~must~~shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the ~~bid~~Bid price. The "bid guarantee" ~~must~~shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument

accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

PPS 46-0670 Mandatory Contract Provisions

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the District under a Federal ~~Award must~~award shall contain provisions covering the following, as applicable.

(1) Contracts for more than the Simplified Acquisition Threshold (see Subsection 5) ~~must~~shall address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(2) All contracts in excess of $10,000 ~~must~~shall address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(3) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 ~~must~~shall include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(4) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities ~~must~~shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors ~~must~~shall be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors ~~must~~shall be required to pay wages not less than once a week. The non-Federal entity ~~must~~shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract ~~must~~shall be conditioned upon the acceptance of the wage determination. The non-Federal entity ~~must~~shall report all suspected or reported violations to the Federal awarding agency. The contracts ~~must~~shall also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient ~~must~~shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity ~~must~~shall report all suspected or reported violations to the Federal awarding agency.

(5) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers ~~must~~shall include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor

~~must~~shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic ~~must~~shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(6) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient ~~must~~shall comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(7) Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as Amended. Contracts and subgrants of amounts in excess of $150,000 ~~must~~shall contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations ~~must~~shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(8) Debarment and Suspension (Executive Orders 12549 and 12689). A contract award (see 2 CFR 180.220) ~~must~~shall not be made to parties listed on the government-wide exclusions in the System for ~~Award~~award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties ~~debarred~~Debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(9) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors that apply or bid for an award exceeding $100,000 ~~must~~shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier ~~must~~shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(10) Additional Requirements of the Specific Federal ~~Award~~award. In addition to the requirements of this section, a specific Federal ~~Award~~award may contain other procurement requirements or mandatory contract clauses. The District officer, employee, or agent that is responsible for procurement of a contract subject to a Federal ~~Award~~award shall review the requirements of the specific Federal ~~Award~~award and shall incorporate such requirements into the procurement process or proposed contract.

END OF DIVISION 46

PPS DIVISION 47

PUBLIC CONTRACTING RULES FOR CONTRACTS FOR GOODS AND/OR SERVICES OTHER THAN PERSONAL SERVICES

PPS 47-0000 Generally

These ~~Division~~division 47 ~~Rules~~rules implement ORS 279B applicable to public ~~Procurements~~procurements for ~~Goods~~goods or ~~Services~~services, or both.

PPS 47-0250 Methods of Source Selection

(1) Except as permitted in these ~~Rules~~rules, the District ~~must Award~~shall award a Public Contract for ~~Goods~~goods or ~~Services~~services, or both, by one of the following sourcing methods:

- **(a)** Competitive ~~Sealed Bidding~~sealed bidding (also known as Invitation to Bid or ITB) pursuant to ORS 279B.055 and PPS 47-0255 and 47-0257;
- **(b)** Competitive ~~Sealed~~sealed Proposals (also known as Request for ~~Proposals~~proposal or RFP) pursuant to ORS 279B.060 and PPS 47-0260 through 47-0263;
- **(c)** Small ~~Procurements~~procurements ($~~10,000~~25,000 or less) pursuant to ORS 279B.065 and PPS 47-0265;
- **(d)** Intermediate ~~Procurements~~procurements (more than $~~10,000~~25,000 to $~~150,000~~250,000) pursuant to ORS 279B.070 and PPS 47-0270;
- **(e)** Sole-source ~~Procurement~~procurement pursuant to ORS 279B.075 and PPS 47-0275;
- **(f)** Emergency ~~Procurement~~procurement pursuant to ORS 279B.080 and PPS 47-0280;
- **(g)** Special ~~Procurement~~procurement pursuant to ORS 279B.085 and PPS 47-0285, including the Class Special ~~Procurements~~procurements set forth in PPS 47-0288; or
- **(h)** Cooperative ~~Procurement~~procurement pursuant to ORS 279A.200 and PPS 46-0400 through 46-0480.

PPS 47-0252 Procurement of Service Contracts Over $250,000 in Compliance With ORS 279B.030 Through 279B.036

(1) Unless the District determines that it is not feasible to perform the ~~Services~~services with the District's own personnel and resources pursuant to ~~Section~~section (4) of this ~~Rule~~rule, before conducting a ~~Procurement~~procurement of a Contract for ~~Services~~services with an estimated Contract Price that exceeds $250,000 the District shall conduct a ~~Written~~written cost analysis in accordance with ~~Section~~section (2) of this ~~Rule~~rule. The cost analysis ~~must~~shall compare an estimate of the District's cost in performing the ~~Services~~services with an estimate of the cost that a potential Contractor would incur in performing the ~~Services~~services. The District may proceed with the ~~Procurement~~procurement only if it determines that the District would incur more cost in performing the ~~Services~~services with its own personnel and resources than in procuring the ~~Services~~services from a Contractor. For the purposes of this section, "Contract for ~~Services~~services" does not include:

- **(a)** Contracts for Personal ~~Services~~services as defined in PPS 46-0500.
- **(b)** Contracts for ~~Services~~services exempted from compliance with the Public Contracting Code by ORS 197.025 or other state statute.
- **(c)** Procurements for Client ~~Services~~services as defined in OAR 125-246-0110. "Client ~~Services~~services" means any ~~Services~~services that directly or primarily support a Client, whether or not the Client is the recipient through the provision of voluntary or mandatory

~~Services~~services. Client ~~Services~~services also means any ~~Goods~~goods that are incidental or specialized in relation to any ~~Services~~services defined in this section. Client ~~Services~~services may include, but are not limited to (where these terms are used in another statute, they ~~must~~shall have that meaning):

(A) Housing, including utilities, rent, or mortgage, or assistance to pay utilities, rent, or mortgage;

(B) Sustenance, including clothing;

(C) Employment training or skills training to improve employability;

(D) Services for people with disabilities;

(E) Foster care or foster care facilities;

(F) Residential care or residential care facilities;

(G) Community housing;

(H) In-home care, including home-delivered meals;

(I) Medical care, services, and treatment, including, but not limited to:

(i) Medical, dental, hospital, psychological, psychiatric, therapy, vision;

(ii) Alcohol and drug treatment;

(iii) Smoking cessation;

(iv) Drugs, prescriptions, and non-prescriptions; or

(v) Nursing services and facilities.

(J) Transportation or relocation;

(K) Quality of life, living skills training;

(L) Personal care;

(M) Legal services and expert witness services;

(N) Religious practices, traditions, and services, separately or in any combination thereof; and

(O) Educational services. The term "Client ~~Services~~services" does not include benefits or services provided as a condition of employment with an agency.

(2) In the cost analysis required under ~~Section~~section (1) of this ~~Rule~~rule, the District shall consider cost factors that include the following:

(a) Cost of Using the District's Own Personnel and Resources. When estimating the District's costs of performing the ~~Services~~services, the District ~~will~~shall consider cost factors that include:

(A) Salary or wage and benefit costs for District employees who ~~are~~would be directly involved in performing the ~~Services, including~~services to the extent those costs reflect the proportion of the activity of those employees in the direct provision of services. The costs include those salary or wage and benefit costs of the employees who inspect, supervise, or monitor the performance of the ~~Services~~services to the extent those costs reflect the proportion of the activity of those employees in the direct inspection, supervision, or monitoring of the performance of the subject ~~Services~~services.

(B) The material costs necessary ~~for~~to the performance of the ~~Services~~services, including the costs for ~~the~~ space, energy, transportation, storage, ~~raw and finished materials,~~ equipment, and supplies used or consumed in the provision of the ~~Services~~services.

(C) ~~Costs~~The costs incurred in planning for, training for, starting up, implementing, transporting, and delivering the ~~Services~~services.

(D) Any costs related to stopping and dismantling a ~~Project~~project or operation because the District intends to procure a limited quantity of ~~Services~~services or to procure the ~~Services~~services within a defined or limited period of time.

(E) The miscellaneous costs related to performing the ~~Services~~services. These costs exclude the District's indirect overhead costs for existing salaries or wages and benefits for administrators, and costs for rent, equipment, utilities, and materials except to the extent that the costs are attributable solely to performing the ~~Services~~services and would not exist unless the District performs the ~~Services~~services.

(F) ~~Oregon Laws 2009, Chapter 880, Section 3~~ORS 279B.003 (1)(a) provides that an estimate of the District's costs of performing the ~~Services~~services includes the costs described in Sections (A) through (E) of this ~~Rule~~rule. Therefore, those costs do not constitute an exclusive list of cost information. The District may consider other reliable information that bears on the cost to the District of performing the ~~Services~~services. For example, if the District has accounted for its actual costs for performing the ~~Services~~services under consideration, or reasonably comparable ~~Services~~services in a relatively recent ~~Services Project~~services project, the District may consider those actual costs in making its estimate.

(b) Costs of a Potential Contractor. When estimating a Contractor's costs of performing the ~~Services~~services, the District ~~will~~shall consider cost factors that include:

(A) The average or actual salary or wage and benefit costs for Contractors and employees:

(i) Who work in the industry or business most closely involved in performing the ~~Services~~services; and

(ii) Who would be necessary and directly involved in performing the ~~Services~~services or who would inspect, supervise, or monitor the performance of the ~~Services~~services;

(B) The material costs necessary to the performance of the ~~Services~~services, including costs for space, energy, transportation, storage, raw and finished materials, equipment, and supplies used or consumed in the provision of the ~~Services~~services; and

(C) The miscellaneous costs related to performing the ~~Services~~services, including, but not limited to, reasonably foreseeable fluctuations in the costs for the items in Sections (A) through (C) of this ~~Rule~~rule.

(D) ~~Oregon Laws 2009, Chapter 880, Section 3~~ORS 279B.033 (1)(a) provides that an estimate of the District's costs of performing the ~~Services~~services includes the costs described in Sections (A) through (E) of this ~~Rule~~rule. Therefore, those costs do not constitute an exclusive list of cost information. The District may consider other reliable information that bears on the cost to the District of performing the ~~Services~~services. For example, if the District, in the reasonably near past, received Bids or Proposals for the performance of ~~Services~~services under consideration, or reasonably comparable ~~Services~~services, the District may consider the pricing offered in those Bids or Proposals in making its estimate. Similarly, the District may consider what it actually paid out under a Contract for the same or similar ~~Services.~~services. For the purposes of these examples, the reasonably near past is limited to Contracts, Bids or Proposals entered into or received within the five years

preceding the date of the cost estimate. The District shall take into account, when considering the pricing offered in previous Bids, Proposals or Contracts, adjustments to the pricing in light of measures of market price adjustments like the consumer price indexes that apply to the services.

(3) Decision Based on Cost Comparison. After comparing the difference between the costs estimated for the District to perform the services and the estimated costs a potential Contractor would incur in performing the services under section (5)(c), the District may proceed with the procurement only if the District would incur more cost in performing the services with the District's own personnel and resources than it would incur in procuring the services from a Contractor...

(4) ~~(3)~~ Exceptions.

(a) Exception Based on Salaries or Wages and Benefits. If the sole reason that the costs estimated ~~in Section (2)(b) of this Rule are lower than the costs estimated in Section (2)(a) of this Rule~~for the District to perform the services exceed the estimated a potential Contractor would incur in performing the services is because the average or actual salary or wage and benefit costs for Contractors and their employees estimated ~~in Section~~under section (2)(b)(A) of this ~~Rule~~rule are lower than the salary or wage and benefit costs for employees of the District estimated in ~~Section~~section (2)(a)(A) of this ~~Rule~~rule, the District may not proceed with the ~~Procurement~~procurement.

(b) Exception Based on Lack of District Personnel and Resources; Reporting. In cases ~~where~~in which the District determines that it would incur less cost in providing the ~~Services~~services with the District's own personnel and resources, the District may nevertheless proceed with the ~~Procurement~~procurement if, at the time the District intends to conduct a ~~Procurement~~procurement, the District determines that it lacks personnel and resources ~~that are necessary~~ to perform the ~~Services~~services within the time ~~in which the Services are required. If~~ the District requires them. When the District conducts a ~~Procurement~~procurement under this section, the District ~~will~~shall:

(A) Make and keep a ~~Written~~written determination that it lacks personnel and resources to perform the ~~Services~~services within the time the District requires them and the basis for the District's decision to proceed with the ~~Procurement~~procurement.

(B) Provide to the Contract Review Board, each calendar quarter, copies of each ~~Written~~written cost analysis and ~~Written~~written determination.

(5) ~~(4)~~ Provision of Services by District Not Feasible. The District may proceed with a ~~Procurement~~procurement of a Contract for ~~Services~~services without conducting a cost analysis required under Sections (1) and (2) of this ~~Rule~~rule if the District makes ~~Written Findings~~written findings that use of the District's own personnel or resources to perform the ~~Services~~services is not feasible. Reasons include, but are not limited to, the following.

(a) The District lacks the specialized capabilities, experience, or technical or other expertise necessary to perform the ~~Services~~services. In making the ~~Finding~~finding, the District shall compare the District's capability, experience, or expertise in the field most closely involved in performing the ~~Services~~services with a potential Contractor's capability, experience, or expertise in the same or a similar field.

(b) Special circumstances require the District to procure the ~~Services~~services by Contract. Special circumstances may include, but are not limited to, the following:

(A) The terms under which the District receives a Grant or other funds for use in a ~~Procurement~~procurement require the District to obtain ~~Services~~services through an independent contractor;

(B) Other state or federal law requires the District to procure ~~Services~~services through an independent contractor;

(C) The ~~Procurement~~procurement is for ~~Services~~services that are incidental to a Contract for purchasing or leasing real or personal property, including service and maintenance agreements for equipment that is leased or rented;

(D) The District cannot accomplish policy, administrative, or legal goals, including, but not limited to, avoiding conflicts of interest or ensuring independent or unbiased ~~Findings~~findings in cases when using the District's existing personnel or Persons that the District could hire through a regular or ordinary process would not be suitable;

(E) The ~~Procurement~~procurement is for Emergency ~~Services~~services pursuant to PPS 47-0280;

(F) The ~~Procurement~~procurement is for ~~Services~~services, the need for which is so urgent, temporary, or occasional that attempting to perform the ~~Services~~services with the District's own personnel or resources would cause a delay that would frustrate the purpose for obtaining the ~~Services~~services;

(G) The ~~Services~~services that the District intends to procure will be completed within six months after the date on which the Contract for the ~~Services~~services is executed; or

(H) Any other circumstances, conditions, or occurrences that would make the ~~Services~~services, if performed by the District's own employees and resources, incapable of being managed, utilized, or dealt with successfully in terms of the quantity, timeliness of completion, success in obtaining desired results, or other reasonable needs of the District.

PPS 47-0255 Competitive Sealed Bidding; One-Step Solicitations~~competitive sealed bidding~~

(1) Generally. The District may procure ~~Goods and Services by Competitive Sealed Bidding~~goods or services by competitive sealed bidding as set forth in ORS 279B.055. An Invitation to Bid is used to initiate a ~~Competitive Sealed Bidding~~competitive sealed bidding solicitation and ~~must~~shall contain the information required by ORS 279B.055(2) and by ~~Section~~section (2) of this ~~Rule~~rule. The District ~~must~~shall provide public notice of the ~~Competitive Sealed Bidding~~competitive sealed bidding solicitation as set forth in PPS 47-0300.

(2) Invitation to Bid. In accordance with ORS 279B.055(2), an Invitation to Bid ~~must~~shall include the following:

(a) General Information.

(A) Notice of any pre-Offer conference as follows:

(i) The time, date, and location of any pre-Offer conference;

(ii) Whether attendance at the conference will be mandatory or voluntary; and

(iii) A provision that provides that statements made by the District's representatives at the conference are not binding on the District unless confirmed by ~~Written~~written Addendum.

(B) A ~~Procurement~~procurement description;

(C) The form and instructions for submission of Bids, including the time, date, and place that Bids are due, and any other special information, e.g., whether Bids may be submitted by electronic means (see PPS 47-0330 for required provisions of electronic Bids);

(D) The time, date, and place of Opening;

(E) Key contact information as follows:

(i) The office or location where the Solicitation Documents may be reviewed;

(ii) The name of the person designated for receipt of Bids;

(iii) The name and title of the person designated by the District as the contact person for the ~~Procurement~~procurement, if different from the person designated to receive Bids.

(F) A statement that each ~~Bidder must~~bidder shall identify whether the ~~Bidder~~bidder is a "resident ~~Bidder~~bidder," as defined in ORS 279A.120(1);

(G) Bidder's certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4). (See PPS-46-0210(2)); and

(H) How the District ~~will~~shall notify ~~Bidders~~bidders of Addenda, and how the District ~~will~~shall make Addenda available (see PPS 47-0430);

(I) A time, date, and place that prequalification applications, if any, ~~must~~shall be filed, and the classes of work, if any, for which ~~Bidders must~~bidders shall be prequalified in accordance with ORS 279B.120;

(J) The following statements:

(i) "The District may cancel the ~~Procurement~~procurement or reject any or all Bids in accordance with ORS 279B.100."

(ii) A statement that requires the Contractor or subcontractor to possess an asbestos abatement license if required under ORS 468A.710.

(b) District Need to Purchase. The character of the ~~Goods or Services~~goods or services that the District is purchasing including, if applicable, a description of the acquisition, ~~Specifications~~specifications, delivery or performance schedule, inspection, and acceptance requirements. As required by ~~Oregon Laws 2009, Chapter 880, Section 5~~ORS 279B.055(2)(c), the District's description of its need to purchase ~~must~~shall:

(A) Identify the scope of the ~~Work~~work to be performed under the resulting Contract, if the District ~~Awards~~awards one;

(B) Outline the anticipated duties of the Contractor under any resulting Contract;

(C) Establish the expectations for the Contractor's performance of any resulting Contract; and

(D) Unless the District for ~~good cause~~Good Cause specifies otherwise, the scope of ~~Work must~~work shall require the Contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the ~~Goods or Services~~goods or services that the District is purchasing.

(c) Bidding and Evaluation Process.

(A) The anticipated solicitation schedule, deadlines, ~~and~~ protest process, and evaluation process;

(B) The District ~~must~~shall set forth objective evaluation criteria in the Solicitation Document in accordance with the requirements of ORS 279B.055(6)(a). Evaluation criteria need not be precise predictors of actual future costs, but to the extent possible, the evaluation factors shall be reasonable estimates of actual future costs based on information that the District has available concerning future use; and

(C) If the District intends to ~~Award~~award Contracts to more than one ~~Bidder~~bidder pursuant to PPS 47-0600(4)(c), the District ~~must~~shall identify in the Solicitation Document the manner in which it will determine the number of Contracts it will ~~Award. This may be left to the~~

~~District's discretion at the time of the Award, provided it is so described in the Solicitation Document~~award.

(d) Applicable Preferences Pursuant to ORS 279B.055(6)(b).

(A) Preference for Oregon ~~Goods and Services~~goods or services pursuant to ORS 279A.120 and PPS 46-0300 and PPS 46-0310; and

(B) Preference for Recycled Materials pursuant to ORS 279A.125 and PPS 46-0320.

(e) Terms and Conditions. All contractual terms and conditions in the form of Contract provisions that the District determines are applicable to the ~~Procurement~~procurement. As required by ~~Oregon Laws 2009, Chapter 880, Section 5~~ORS 279B.055(2)(h), the Contract terms and conditions ~~must~~shall specify the consequences of the Contractor's failure to perform the scope of ~~Work~~work or to meet the performance standards established by the resulting Contract. Those consequences may include, but are not limited to:

(A) The District's reduction or withholding of payment under the Contract;

(B) The District's right to require the Contractor to perform, at the Contractor's expense, any additional Work necessary to perform the statement of ~~Work~~work or to meet the performance standards established by the resulting Contract; and

(C) The District's rights, which the District may assert individually or in combination, to declare a default of the resulting Contract, to terminate the resulting Contract, and to seek damages and other relief available under the resulting Contract or applicable law.

(f) Whether Bid Security Is Required.

(g) Good Cause. For the purposes of this ~~Rule~~rule, "~~good cause~~Good Cause" means a reasonable explanation for not requiring Contractor to meet the highest standards, and may include an explanation of circumstances that support a ~~Finding~~finding that the requirement would unreasonably limit competition or is not in the best interest of the District. The District shall document in the ~~Procurement File~~Solicitation file the basis for the determination of ~~good cause~~Good Cause for specification otherwise. The District ~~will~~shall have ~~good cause~~Good Cause to specify otherwise under the following circumstances:

(A) The use or purpose to which the ~~Goods or Services~~goods or services will be put does not justify a requirement that the Contractor meet the ~~highest prevalent~~highest prevalent standards in performing the Contract;

(B) Imposing express technical, standard, dimensional, or mathematical specifications will better ensure that the ~~Goods or Services~~goods or services will be compatible with or will operate efficiently or effectively with components, equipment, parts, ~~Services~~services, or information technology including hardware, ~~Services~~services, or software with which the ~~Goods or Services~~goods or services will be used, integrated, or coordinated;

(C) The circumstances of the industry or business that provides the ~~Goods or Services~~goods or services are sufficiently volatile in terms of innovation or evolution of products, performance techniques, or scientific developments that a reliable ~~highest prevalent~~highest prevalent standard does not exist or has not been developed;

(D) Any other circumstances in which the District's interest in achieving economy, efficiency, compatibility, or availability in the ~~Procurement of the Goods or Services~~procurement of the goods or services reasonably outweighs the District's practical need for the ~~highest prevalent~~highest prevalent standard in the applicable or closest industry or business that supplies the ~~Goods~~goods or ~~Services~~services to be delivered under the resulting Contract.

PPS 47-0257 CompetitiveMultistep Sealed Bidding; Multi-Step Solicitations

~~**Multi-Step Sealed Bidding**~~

(1) Generally. The District may procure ~~Goods~~goods or ~~Services~~services by using ~~Multi-Step Sealed Bidding~~multistep sealed bidding under ORS 279B.055(12).

(2) Phased Process. ~~Multi-Step Sealed Bidding~~multistep sealed bidding is a phased ~~Procurement~~procurement process that seeks information or unpriced submittals in the first phase combined with regular competitive Sealed Bidding, inviting ~~Bidders~~bidders who submitted technically eligible submittals in the first phase to submit ~~Competitive Sealed Price~~competitive sealed price Bids in the second phase. The Contract ~~must~~shall be ~~Awarded~~awarded to the lowest Responsible ~~Bidder~~bidder.

(3) Public Notice. When The District uses ~~Multi-Step Sealed Bidding~~multistep sealed bidding, the District shall give public notice for the first phase in accordance with PPS 47-0300. Public notice is not required for the second phase. However, the District shall give notice of the second phase to all ~~Bidders~~bidders, inform ~~Bidders~~bidders of the right to protest Addenda issued after the initial Closing under PPS 47-0430, and inform ~~Bidders~~bidders excluded from the second phase of the right, if any, to protest their exclusion under PPS 47-0720.

(4) Procedures Generally. In addition to the procedures set forth in PPS 47-0300 through 47-0490, the District shall employ the procedures set forth in this ~~Rule for Multi-Step Sealed Bidding~~rule for multistep sealed bidding and in the Invitation to Bid.

(5) Procedure for Phase One of ~~Multi-Step~~Multistep Sealed Bidding.

(a) Form. The District shall initiate ~~Multi-Step Sealed Bidding~~multistep sealed bidding by issuing an Invitation to Bid in the form and manner required for ~~Competitive Sealed~~competitive sealed Bids except as provided in this ~~Rule~~rule. In addition to the requirements set forth in PPS 47-0255(2), the ~~Multi-Step~~multistep Invitation to Bid ~~must~~shall state:

(A) That the ~~solicitation is a Multi-Step Sealed Bid Procurement~~Solicitation is a multistep sealed Bid procurement and describe the process that the District ~~will~~shall use to conduct the ~~Procurement~~procurement;

(B) That the District requests unpriced submittals and that the District ~~will~~shall consider price Bids only in the second phase and only from those ~~Bidders~~bidders whose unpriced submittals are found eligible in the first phase;

(C) Whether ~~Bidders must~~bidders shall submit price Bids at the same time as unpriced submittals and, if so, that ~~Bidders must~~bidders shall submit the price Bids in a separate sealed envelope; and

(D) The criteria to be used in the evaluation of unpriced submittals.

(b) Evaluation. The District shall evaluate unpriced submittals in accordance with the criteria set forth in the Invitation to Bid.

(6) Procedure for Phase Two of ~~Multi-Step~~Multistep Sealed Bidding.

(a) After the completion of phase one, if the District does not cancel the ~~solicitation~~Solicitation, the District shall invite each eligible ~~Bidder~~bidder to submit a price Bid.

(b) The District shall conduct phase two as any other ~~Competitive Sealed Bid Procurement~~competitive sealed Bid procurement except:

(A) As specifically set forth in this ~~Rule~~rule or the Invitation to Bid;

(B) No public notice need be given of the invitation to submit price Bids because such notice was previously given.

PPS 47-0260 Competitive Sealed Proposals~~; One-Step Solicitations~~

(1) Generally. The District may procure ~~Goods and Services by Competitive Sealed~~goods or services by competitive sealed Proposals as set forth in ORS 279B.060. The District shall use a Request for ~~Proposal~~proposal to initiate a ~~Competitive Sealed Proposal~~competitive sealed proposal. The Request for ~~Proposal must~~proposal shall contain the information required by ORS 279B.060(2) and by ~~Section~~section (2) of this ~~Rule~~rule. The District shall provide public notice of the Request for ~~Proposals~~proposal as set forth in PPS 47-0300.

(2) Request for Proposal. In accordance with the provisions required by ORS 279B.060(2), the Request for ~~Proposal must~~proposal shall include the following:

(a) General Information.

(A) Notice of any pre-Offer conference as follows:

(i) The time, date, and location of any pre-Offer conference;

(ii) Whether attendance at the conference will be mandatory or ~~optional~~voluntary; and

(iii) A provision that provides that statements made by the District's representatives at the conference are not binding on the District unless confirmed by ~~Written~~written Addendum.

(B) A ~~Procurement~~procurement description.

(C) A time, date, and place that prequalification applications, if any, ~~must~~shall be filed, and the classes of work, if any, for which ~~Bidders must~~bidders shall be prequalified in accordance with ORS 279B.120.

(D) The form and instructions for submission of Proposals, ~~including the time, date, and place that Proposals are due,~~ and any other special information, e.g., whether Proposals may be submitted by electronic means (see PPS 47-0330 for required provisions of electronic Proposals);

(E) The time, date, and place of Opening;

(F) The office where the Solicitation Document may be reviewed;

(G) Key contact information, as follows~~:~~;

~~**(i)** The office or location where the Solicitation Documents may be reviewed;~~

(i) ~~**(ii)**~~ The name of the Person designated for receipt of Proposals.

(ii) ~~**(iii)**~~ The name and title of the person designated by the District as the contact Person for the ~~Procurement~~procurement, if different from the Person designated to receive Proposals.

(H) Proposers' certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4) (See PPS 46-210(2); and

(I) How the District ~~will~~shall notify Proposers of Addenda and how the District ~~will~~shall make Addenda available. (See PPS 47-0430.)

(J) The following statements:

(i) "The District may cancel the ~~Procurement~~procurement or reject any or all Proposals in accordance with ORS 279B.100."

(ii) A statement that requires the Contractor or subcontractor to possess an asbestos abatement license if required under ORS 468A.710.

(b) District Need to Purchase. The character of the ~~Goods or Services~~goods or services the District is purchasing including, if applicable, a description of the acquisition, ~~Specifications~~specifications, delivery or performance schedule, inspection, and acceptance requirements. As required by ORS 279B.060(2)(c), the District's description of its need to purchase ~~must~~shall:

(A) Identify the scope of the ~~Work~~work to be performed under the resulting Contract, if the District ~~Awards~~awards one; and

(B) Outline the anticipated duties of the Contractor under any resulting Contract; and

(C) Establish the expectations for the Contractor's performance of any resulting Contract; and

(D) Unless the Contractor under any resulting Contract will provide architectural, engineering, photogrammetric mapping, ~~Transportation Planning or Land Surveying Services or Related Services~~transportation planning or land surveying services or related services that are subject to ORS 279C.100 through 279C.125 or PPS 46-0500 through 46-0525, or the District for ~~good cause~~Good Cause specifies otherwise, the scope of ~~Work must~~work shall require the Contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the ~~Goods or Services~~goods or services that the District is purchasing.

(c) Proposal and Evaluation Process.

(A) The anticipated solicitation schedule, deadlines, protest process, and evaluation process.

(B) The District ~~must~~shall set forth selection criteria in the Solicitation Document in accordance with the requirements of ORS 279B.060(3)(e), including the relative importance of price and any other evaluation factors used to rate the Proposals in the first tier of competition, and if more than one tier of competitive evaluation may be used, a description of the process under which the Proposals will be evaluated in the subsequent tiers. Evaluation criteria need not be precise predictors of actual future costs and performance, but to the extent possible the criteria shall:

(i) Afford the District the ability to compare the Proposals and Proposers, applying the same standards of comparison to all Proposers;

(ii) Rationally reflect Proposers' abilities to perform the resulting Contract in compliance with the Contract's requirements; and

(iii) Permit the District to determine the relative pricing offered by the Proposers, and to reasonably estimate the costs to the District of entering into a Contract based on each ~~Proposal~~proposal, considering information available to the District and subject to the understanding that the actual Contract costs may vary as a result of the Statement of ~~Work~~work ultimately negotiated or the quantity of ~~Goods or Services~~goods or services for which the District contracts.

(C) If the District's solicitation process calls for the District to establish a ~~Competitive~~competitive Range, the District shall generally describe, in the Solicitation Document, the criteria or parameters that the District ~~will~~shall apply to determine the ~~Competitive~~competitive Range. The District, however, ~~may~~ subsequently may determine or adjust the number of Proposers in the ~~Competitive~~competitive Range in accordance with PPS 47-0261(6).

(d) Applicable Preferences, including those described in ORS 279A.120, 279A.125(2), and 282.210.

(A) Preference for Oregon ~~Goods and Services~~goods or services, pursuant to ORS 279A.120 and PPS 46-0300 and PPS 46-0310;

(B) Preference for Recycled Materials, pursuant to ORS 279A.125 and PPS 46-0320; and

(C) Performance within the state of public printing, binding, and stationery Work, pursuant to ORS 282.210.

(e) Contractual Terms and Conditions. All contractual terms and conditions the District determines are applicable to the ~~Procurement~~procurement. The District's determination of contractual terms and conditions that are applicable to the ~~Procurement~~procurement may take into consideration, as authorized by ORS 279B.060(3), those contractual terms and conditions ~~that~~ the District will not include in the Request for ~~Proposals~~proposal because the District either will reserve them for negotiation or will request Proposers to offer or suggest those terms or conditions. (See PPS 47-0260(3).)

(f) Consequences of Failure to Perform. As required by ORS 279B.060(2)(h), the Contract terms and conditions ~~must~~shall specify the consequences of the Contractor's failure to perform the scope of ~~Work~~work or to meet the performance standards established by the resulting Contract. Those consequences may include, but are not limited to:

(A) The District's reduction or withholding of payment under the Contract;

(B) The District's right to require the Contractor to perform, at the Contractor's expense, any additional ~~Work~~work necessary to perform the scope of ~~Work~~work or to meet the performance standards established by the resulting Contract; and

(C) The District's rights, which the District may assert individually or in combination, to declare a default of the resulting Contract, to terminate the resulting Contract, and to seek damages and other relief available under the resulting Contract or applicable law.

(g) Whether ~~Proposal~~proposal security is required.

(3) The District may include the applicable contractual terms and conditions in the form of Contract provisions or legal concepts to be included in the resulting Contract. Further, the District may specify that it will include or use ~~Proposers'~~Proposer's terms and conditions that have been pre-negotiated under PPS 47-550(8), but the District may only include or use a Proposer's pre-negotiated terms and conditions in the resulting Contract to the extent that those terms and conditions do not materially conflict with the applicable Contract terms and conditions. The District shall not agree to any Proposer's terms and conditions that were expressly rejected in a solicitation protest under PPS 47-0730.

(4) For multiple ~~Award~~award Contracts, the District may enter into Contracts with different terms and conditions with each Contractor to the extent those terms and conditions do not materially conflict with the applicable contractual terms and conditions. The District shall not agree to any Proposer's terms and conditions that were expressly rejected in a solicitation protest under PPS 47-0730.

(5) **Good Cause**. For the purposes of this ~~Rule~~rule, "~~good cause~~Good Cause" means a reasonable explanation for not requiring the Contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the ~~Goods or Services Under~~goods or services under the Contract, and may include an explanation of circumstances that support a ~~Finding~~finding that the requirement would unreasonably limit competition or is not in the best interest of the District. The District shall document in the ~~Procurement File~~Solicitation file the basis for the determination of ~~good cause~~Good Cause or for specifying otherwise. The District ~~will~~shall have ~~good cause~~Good Cause to specify otherwise when the District determines that:

(a) The use or purpose to which the ~~Goods or Services~~goods or services will be put does not justify a requirement that the Contractor meet the ~~highest prevalent~~highest prevalent standards in performing the Contract;

(b) Imposing express technical, standard, dimensional, or mathematical specifications will better ensure that the ~~Goods or Services~~goods or services will be compatible with, or will operate efficiently or effectively with, associated information technology, hardware, software, components, equipment, parts, or ~~ongoing Services~~on-going services with which the ~~Goods or Services~~goods or services will be used, integrated, or coordinated;

(c) The circumstances of the industry or business that provides the ~~Goods or Services~~goods or services are sufficiently volatile in terms of innovation or evolution of products, performance techniques, or scientific developments, that a reliable ~~highest prevalent~~highest prevalent standard does not exist or has not been developed;

(d) That other circumstances exist in which the District's interest in achieving economy, efficiency, compatibility, or availability in the ~~Procurement of the Goods or Services~~procurement of the goods or services reasonably outweighs the District's practical need for the ~~highest prevalent~~highest standard prevalent in the applicable or closest industry or business that supplies the ~~Goods~~goods or ~~Services~~services to be delivered under the resulting Contract.

(6) Optional Proposal Requirements.

(a) As provided in the Request for ~~Proposals~~proposal or in ~~Written~~written Addenda issued thereunder, the District may conduct site tours, demonstrations, individual or group discussions, and other informational activities with Proposers before or after the opening of Proposals for the purpose of clarification to ensure full understanding of, and responsiveness to, the ~~solicitation~~Solicitation requirements or to consider and respond to requests for modifications of the ~~Proposal~~proposal requirements. The District shall use procedures designed to accord Proposers fair and equal treatment with respect to any opportunity for discussion and revision of Proposals.

(b) For purposes of evaluation, when provided for in the Request for ~~Proposals~~proposal, the District may employ methods of Contractor selection that include, but are not limited to:

(A) An ~~Award or Awards~~award or awards based solely on the ranking of Proposals;

(B) Discussions leading to best and final Offers, in which the District may not disclose private discussions leading to best and final Offers;

(C) Discussions leading to best and final Offers, in which the District may not disclose information derived from Proposals submitted by competing Proposers;

(D) Serial negotiations, beginning with the ~~highest ranked~~highest ranked Proposer;

(E) Competitive simultaneous negotiations;

(F) ~~Multi-Tiered~~multi-tiered competition designed to identify, at each level, a class of Proposers that fall within a ~~Competitive~~competitive Range or to otherwise eliminate from consideration a class of lower-ranked Proposers;

(G) A ~~Multi-Step~~multistep Request for ~~Proposals~~proposal requesting the submission of unpriced technical submittals, and then later issuing a Request for ~~Proposals~~proposal limited to the Proposers whose technical submittals the District had determined to be qualified under the criteria set forth in the initial Request for ~~Proposals~~proposal; or

(H) Any combination of methods described in this paragraph as authorized or prescribed by these ~~Rules~~rules.

(c) Revisions of Proposals may be permitted after the submission of Proposals and before ~~Award~~award for the purpose of obtaining best Offers or best and final Offers.

(d) After the opening of Proposals, the District may issue or electronically post an Addendum to the Request for ~~Proposals~~proposal that modifies the criteria, rating process, and procedure for any tier of competition before the start of the tier to which the Addendum applies. The District shall send an Addendum that is issued by a method other than electronic posting to all Proposers who are eligible to compete under the Addendum. The District shall issue or post the Addendum at least five ~~Days~~days before the start of the subject tier of competition or as otherwise determined by the District to be adequate to allow eligible Proposers to prepare for the competition in accordance with rules adopted under ORS 279A.065.

(7) The cancellation of Requests for Proposals and the rejection of Proposals ~~must~~shall be in accordance with ORS 279B.100.

(8) In the Request for ~~Proposals~~proposal, the District shall describe the methods by which the District ~~will~~shall make the results of each tier of competitive evaluation available to the Proposers who competed in the tier. The District shall include a description of the manner in which the Proposers who are eliminated from further competition may protest or otherwise object to the District's decision.

(9) The District shall issue or electronically post the notice of intent to ~~Award~~award described in ORS 279B.135 to each Proposer who was evaluated in the final competitive tier.

(10) If a Contract is ~~Awarded~~awarded, the District shall ~~Award~~award the Contract to the responsible Proposer whose ~~Proposal~~proposal the District determines in ~~Writing~~writing to be the most advantageous to the District based on the evaluation process and evaluation factors described in the Request for ~~Proposals~~proposal, any applicable preferences described in ORS 279A.120 and 279A.125, and, when applicable, the outcome of any negotiations authorized by the Request for ~~Proposals~~proposal. Other factors may not be used in the evaluation. When the Request for ~~Proposals~~proposal specifies or authorizes the ~~Award~~award of multiple Public Contracts, the District shall ~~Award~~award Public Contracts to the responsible Proposers who qualify for the ~~Award~~award of a Contract under the terms of the Request for ~~Proposals~~proposal.

(11) The District may issue a request for information, a request for interest, a Request for Qualifications, or other preliminary documents to obtain information useful in the preparation of a Request for ~~Proposals~~proposal.

PPS 47-0261 Procedures for Competitive Range; Multi-Tiered and Multi-Step Solicitations~~Multistep Proposals~~

(1) Generally. The District may use one or more, or any combination of procure ~~Goods and Services~~goods or services employing any combination of the methods of Contractor selection ~~as~~ set forth in ~~PPS 47-0260(3)(b)~~ORS 279B.060(7), 279B.0608 and this rule to procure goods or services. In addition to the procedures set forth in PPS 47-0300 through 47-0490 for methods of Contractor selection, the District may provide for a ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep selection process that permits ~~Award to the highest ranked~~award to the highest ranked Proposer at any tier or step, calls for the establishment of a ~~Competitive~~competitive Range, or permits either serial or competitive simultaneous discussions or negotiations with one or more Proposers.

(2) Methods. When conducting a ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep selection process, the District may use any combination or series of Proposals, discussions, negotiations, demonstrations, offers, or other means of soliciting information from Proposers that bears on the selection of a Contractor or Contractors. In ~~Multi-Tiered and Multi-Step~~multi-tiered and multistep competitions, the District may use these means of soliciting information from prospective Proposers and Proposers in any sequence or order, and at any stage of the selection process, as determined in the discretion of the District.

(3) District May Elect to ~~Award~~award Contract Prior to Completion of Stages. When the District's Request for ~~Proposals~~proposal prescribes a ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep Contractor selection process, the District nevertheless may, at the completion of any stage in the competition and on determining the ~~most advantageous~~Most Advantageous Proposer (or, in multiple ~~Award~~award situations, on determining the ~~Awardees~~awardees of the Public Contracts), ~~Award~~award a Contract (or Contracts) and conclude the ~~Procurement~~procurement without proceeding to subsequent stages. The District also may, at any time, cancel the ~~Procurement~~procurement under ORS 279B.100.

(4) Exclusion Protest. The District may provide, before the notice of an intent to ~~Award~~award, an opportunity for a Proposer to protest exclusion from the ~~Competitive~~competitive Range or from subsequent phases of ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep sealed Proposals as set forth in PPS 47-0720.

(5) Award Protest. The District shall provide an opportunity to protest its ~~Intent~~intent to ~~Award~~award a Contract pursuant to ORS 279B.410 and PPS 47-0740. An Affected Offeror may protest, for any of the bases set forth in PPS 47-0720(2), its exclusion from the ~~Competitive~~competitive Range or from any phase of a ~~Multi-Tiered or Multi-Step Sealed Proposal~~multi-tiered or multistep sealed proposal process, or may protest an Addendum issued following initial Closing, if the District did not previously provide Proposers the opportunity to protest the exclusion or Addendum. The failure to protest shall be considered the Proposer's failure to pursue an administrative remedy made available to the Proposer by the District.

(6) Competitive Range. When the District's solicitation process conducted under ORS 279B.060(8) calls for the District to establish a ~~Competitive~~competitive Range at any stage in the ~~Procurement~~procurement process, the District may do so as follows:

(a) Determining Competitive Range.

(A) The District may establish a ~~Competitive~~competitive Range after evaluating all Responsive Proposals in accordance with the evaluation criteria in the Request for ~~Proposals~~proposal. After evaluation of all Proposals in accordance with the criteria in the Request for ~~Proposals~~proposal, the District may determine and rank the Proposers in the ~~Competitive~~competitive Range. Notwithstanding the foregoing, however, in instances in which the District determines that a single Proposer has a reasonable chance of being determined the most ~~advantageous~~Advantageous Proposer, the District need not determine or rank Proposers in the ~~Competitive~~competitive Range. In addition, notwithstanding the foregoing, the District may establish a ~~Competitive~~competitive Range of all Proposers to enter into discussions to correct deficiencies in Proposals.

(B) The District may establish the number of Proposers in the ~~Competitive~~competitive Range in light of whether the District's evaluation of Proposals identifies a number of Proposers who have a reasonable chance of being determined the most advantageous Proposer, or whether the evaluation establishes a natural break in the scores of Proposers that indicates that a particular number of Proposers are closely competitive or have a reasonable chance of being determined the most ~~advantageous~~Advantageous Proposer.

(b) Protesting Competitive Range. The District ~~must~~shall provide ~~Written~~written notice to all Proposers identifying Proposers in the ~~Competitive~~competitive Range. The District may provide an opportunity for Proposers excluded from the ~~Competitive~~competitive Range to protest the District's evaluation and determination of the ~~Competitive~~competitive Range in accordance with PPS 47-0720.

(7) Discussions. The District may initiate oral or ~~Written~~written discussions with all "eligible Proposers" on subject matter within the general scope of the Request for ~~Proposals~~proposal. In conducting discussions, the District:

(a) Shall treat all eligible Proposers fairly and shall not favor any eligible Proposer over another;

(b) May disclose other eligible Proposers' Proposals or discussions only in accordance with ORS 279B.060(8)(b) or (c);

(c) May adjust the evaluation of a ~~Proposal~~proposal as a result of discussions. The conditions, terms, or price of the ~~Proposal~~proposal may be changed during the course of the discussions provided the changes are within the scope of the Request for ~~Proposals~~proposal.

(d) At any time during the time allowed for discussions, the District may:

(A) Continue discussions with a particular eligible Proposer;

(B) Terminate discussions with a particular eligible Proposer and continue discussions with other eligible Proposers; or

(C) Conclude discussions with all remaining eligible Proposers and provide, to the then-eligible Proposers, notice requesting best and final Offers.

(8) Negotiations.

(a) Serial Negotiations Allowed. The District may commence serial negotiations with the ~~highest-ranked~~highest ranked eligible Proposer or commence simultaneous negotiations with all eligible Proposers. The District may negotiate:

(A) The statement of ~~Work~~work;

(B) The Contract Price as it is affected by negotiating the statement of work and other terms and conditions authorized for negotiation in the Request for ~~Proposals~~proposal or Addenda thereto; and

(C) Any other terms and conditions reasonably related to those authorized for negotiation in the Request for ~~Proposals~~proposal or Addenda thereto. Proposers shall not submit for negotiation, and a District shall not accept, alternative terms and conditions that are not reasonably related to those authorized for negotiation in the Request for ~~Proposals~~proposal or any Addendum.

(b) Terminating Negotiations. At any time during discussions or negotiations the District conducts under this ~~Rule~~rule, the District may terminate discussions or negotiations with the ~~highest-ranked~~highest ranked Proposer, or the eligible Proposer with whom it is currently discussing or negotiating, if the District reasonably believes that:

(A) The eligible Proposer is not discussing or negotiating in good faith; or

(B) Further discussions or negotiations with the eligible Proposer will not result in the parties agreeing to the terms and conditions of a Contract in a timely manner.

(c) Continuing Serial Negotiations. If the District is conducting serial negotiations and the District terminates negotiations with an eligible Proposer, the District may then commence negotiations with the next highest-scoring eligible Proposer, and continue the sequential process until the District has either:

(A) Determined to ~~Award~~award the Contract to the eligible Proposer with whom it is currently discussing or negotiating; or

(B) Decided to cancel the ~~Procurement~~procurement under ORS 279B.100.

(d) Competitive Simultaneous Negotiations. If the District chooses to conduct competitive negotiations, the District may negotiate simultaneously with competing eligible Proposers. The District:

(A) Shall treat all eligible Proposers fairly and shall not favor any eligible Proposer over another;

(B) May disclose other eligible Proposers' Proposals or the substance of negotiations with other eligible Proposers only if the District notifies all of the eligible Proposers with whom the District ~~will~~shall engage in negotiations of the District's intent to disclose before engaging in negotiations with any eligible Proposer.

(e) Any oral modification of a ~~Proposal~~proposal resulting from negotiations ~~must~~shall be reduced to ~~Writing~~writing.

(9) Best and Final Offers. If the District requires best and final Offers, the District ~~must~~shall establish a common date and time by which eligible Proposers ~~must~~shall submit best and final Offers. If the District is dissatisfied with the best and final Offers, the District may make a ~~Written~~written determination that it is in the District's best interest to conduct additional discussions, negotiations or change the District's requirements and require another submission of best and final Offers. The District ~~must~~shall inform all eligible Proposers that if they do not submit notice of withdrawal or another best and final Offer, their immediately previous Offers will be considered their best and final Offers. The District shall evaluate Offers as modified by the best and final Offers. The District shall conduct the evaluations as described in OAR PPS 47-0600. The District may not modify evaluation factors or their relative importance after the date and time that best and final Offers are due.

(10) ~~Multi-Step Sealed~~multistep sealed Proposals. The District may procure ~~Goods~~goods or ~~Services~~services by using ~~Multi-Step Competitive Sealed~~multistep competitive sealed Proposals under ORS 279B.060(8)(b)(g). ~~Multi-Step Sealed~~multistep sealed Proposals is a phased ~~Procurement~~procurement process that seeks necessary information or unpriced technical Proposals in the first phase and, in the second phase, invites Proposers who submitted technically qualified Proposals to submit ~~Competitive Sealed Price~~competitive sealed price Proposals on the technical Proposals. The District ~~must Award~~shall award the Contract to the Responsible Proposer submitting the most advantageous ~~Proposal~~proposal in accordance with the terms of the Solicitation Document applicable to the second phase.

(a) Public Notice. When the District uses ~~Multi-Step Sealed~~multistep sealed Proposals, the District shall give public notice for the first phase in accordance with PPS 47-0300. Public notice is not required for the second phase. However, the District shall give notice of the subsequent phases to all Proposers and inform any Proposers excluded from the second phase of the right, if any, to protest exclusion under PPS 47-0720.

(b) Procedure for Phase One of ~~Multi-Step Sealed~~multistep sealed Proposals. The District may initiate a ~~Multi-Step Sealed~~multistep sealed Proposals ~~Procurement~~procurement by issuing a Request for ~~Proposals~~proposal in the form and manner required for ~~Competitive Sealed~~competitive sealed Proposals except as provided in this ~~Rule~~rule. In addition to the requirements required for ~~Competitive Sealed~~competitive sealed Proposals, the ~~Multi-Step~~multistep Request for ~~Proposals must~~proposal shall state:

(A) That unpriced technical Proposals are requested;

(B) That the ~~solicitation is a Multi-Step Sealed Proposal Procurement~~Solicitation is a multistep sealed proposal procurement and that, in the second phase, priced Proposals will be accepted only from those Proposers whose unpriced technical Proposals are found qualified in the first phase;

(C) The criteria for the evaluation of unpriced technical Proposals; and

(D) That the ~~Goods or Services~~goods or services being procured shall be furnished generally in accordance with the Proposer's technical ~~Proposal~~proposal as found to be finally qualified and shall meet the requirements of the Request for ~~Proposals~~proposal.

(c) Addenda to the Request for ~~Proposals~~Proposal. After receipt of unpriced technical Proposals, Addenda to the Request for ~~Proposals~~proposal shall be distributed only to Proposers who submitted unpriced technical Proposals.

(d) Receipt and Handling of Unpriced Technical Proposals. Unpriced technical Proposals need not be opened publicly.

(e) Evaluation of Unpriced Technical Proposals. Unpriced technical Proposals shall be evaluated solely in accordance with the criteria set forth in the Request for ~~Proposals~~proposal.

(f) Discussion of Unpriced Technical Proposals. The District may seek clarification of a technical ~~Proposal~~proposal of any Proposer who submits a qualified, or potentially qualified, technical ~~Proposal~~proposal. During the course of such discussions, the District shall not disclose any information derived from one unpriced technical ~~Proposal~~proposal to any other Proposer.

(g) Methods of Contractor Selection for Phase One. In conducting phase one, the District may employ any combination of the methods of Contractor selection that call for the establishment of a ~~Competitive~~competitive Range or include discussions, negotiations, or best and final Offers as set forth in this ~~Rule~~rule.

(h) Procedure for Phase Two. On the completion of phase one, the District shall invite each qualified Proposer to submit price Proposals. The District shall conduct phase two as any other ~~Competitive Sealed Proposal Procurement~~competitive sealed proposal procurement except as set forth in this ~~Rule~~rule.

(i) No public notice need be given of the request to submit Price Proposals because such notice was previously given.

PPS 47-0265 Small Procurements

(1) Generally. For ~~Procurements of Goods and Services~~procurements of goods or services less than or equal to the dollar amount stated in ORS 279B.065, the District may ~~Award~~award a Contract as a Small ~~Procurement~~procurement in any manner ~~deemed~~the District deems practical or convenient ~~by the District~~, including by direct selection or ~~Award~~award.

(2) Amendments. The District may amend a Contract ~~Awarded~~awarded as a Small ~~Procurement~~procurement in accordance with PPS 47-0800.

(3) No Fragmentation. A ~~Procurement~~procurement may not be artificially divided or fragmented so as to constitute a Small ~~Procurement~~procurement. See ORS 279B.065(2).

PPS 47-0270 Intermediate Procurements

(1) Generally. For ~~Procurements of Goods and Services~~procurements of goods or services greater than the dollar amount stated in ORS 279B.065 and less than or equal to the higher dollar amount stated in ORS 279B.070, the District may ~~Award~~award a Contract as an ~~Intermediate Procurement~~intermediate procurement pursuant to ORS 279B.070.

(2) Intermediate Solicitation Process. When conducting an ~~Intermediate Procurement~~intermediate procurement, the District shall seek at least three informally solicited ~~Competitive Price Quotes or Competitive~~competitive Price quotes or competitive Proposals from prospective Contractors. The District shall keep a ~~Written~~written record of the sources of the ~~Quotes~~quotes or Proposals received. If three ~~Quotes~~quotes or Proposals are not reasonably available, fewer will suffice, but the District shall make a ~~Written~~written record of the effort made to obtain the ~~Quotes~~quotes or Proposals.

(3) Negotiations. The District may negotiate with a prospective Contractor who offers to provide ~~Goods~~goods or ~~Services~~services in response to an ~~Intermediate Procurement~~intermediate procurement to

clarify its ~~Quote~~quote or Offer or to effect modifications that will make the ~~Quote~~quote or Offer more ~~advantageous~~Advantageous to the District.

(4) ~~Award~~award. If a Contract is ~~Awarded~~awarded, the District shall ~~Award~~award the Contract to the Offeror whose ~~Quote or Proposal~~quote or proposal will best serve the interests of the District, taking into account price as well as considerations including, but not limited to, experience, expertise, product functionality, suitability for a particular purpose, and Contractor responsibility under ORS 279B.110.

(5) Amendments. The District may amend a Contract ~~Awarded as an Intermediate Procurement~~awarded as an intermediate procurement in accordance with PPS 47-0800.

(6) No Fragmentation. A ~~Procurement~~procurement may not be artificially divided or fragmented so as to constitute an ~~Intermediate Procurement~~intermediate procurement. See ORS 279B.070(2).

PPS 47-0275 Sole-Source Procurements

(1) Generally. The Superintendent is delegated the authority to determine whether ~~Goods~~goods and ~~Service~~service or a class of ~~Goods and Services~~goods or services are available from only one source pursuant to ORS 279B.075. The Superintendent's determination ~~must~~shall be based on ~~Written Findings~~written findings that may include information that:

- **(a)** The efficient utilization of existing ~~Goods or Services~~goods or services requires the acquisition of compatible ~~Goods~~goods or ~~Services~~services;
- **(b)** The ~~Goods or Services~~goods or services required for the exchange of software or data with other public or private agencies are available from only one source;
- **(c)** The ~~Goods or Services~~goods or services are for use in a pilot or an experimental ~~Project~~project; or
- **(d)** Other ~~Findings~~findings that support the conclusion that the ~~Goods or Services~~goods or services are available from only one source.

(2) Public Notice. If the Contract amount is greater than $150,000, the District shall give public notice of the Superintendent's determination that the ~~Goods~~goods or ~~Services~~services or class of ~~Goods or Services~~goods or services are available from only one source. The District shall publish such notice in a manner similar to public notice of ~~Competitive Sealed~~competitive sealed Bids under ORS 279B.055(4) and PPS 47-0300. The public notice shall describe the ~~Goods~~goods or ~~Services~~services to be acquired by a sole-source ~~Procurement~~procurement, identify the prospective Contractor, and include the date, time, and place that protests are due. The District shall give ~~affected~~Affected Persons at least seven ~~Days~~(7) days from the date of the notice of the determination that the ~~Goods or Services~~goods or services are available from only one source to protest the sole-source determination.

(3) Protest. An ~~affected~~Affected Person may protest the Superintendent's determination that the ~~Goods~~goods or ~~Services~~services or class of ~~Goods or Services~~goods or services are available from only one source in accordance with PPS 47-0710.

PPS 47-0280 Emergency Procurements

(1) Generally. The Superintendent may ~~Award~~award a Public Contract as an Emergency ~~Procurement~~procurement. The Superintendent will document the nature of the emergency and describe the method used for selection of the particular Contractor. See ORS 279B.080.

(2) Construction Services. For ~~an~~ Emergency ~~Procurement~~procurement of construction ~~services that are not Public Improvements~~, the District shall ensure competition for a Contract for the Emergency Work that is reasonable and appropriate under the emergency circumstances. In conducting the ~~Procurement~~procurement, the District shall set a solicitation time period that the District determines to be reasonable under the

Emergency circumstances, and may issue ~~Written~~written or oral requests for Offers or make direct appointments without competition in cases of extreme necessity. See PPS 49-0150.

SPECIAL ~~PROCUREMENTS~~PROCUREMENTS (CONTRACTING EXEMPTIONS)

PPS 47-0285 ~~Special Procurements~~SpecialProcurements; Purpose and Application

The District may ~~Award~~award a Public Contract as a Special ~~Procurement~~procurement pursuant to the requirements of ORS 279B.085 without using ~~Competitive Sealed Bidding or Competitive Sealed~~competitive sealed bidding or competitive sealed Proposals or other competitive procedures as otherwise required by these ~~Rules~~rules. The Contract Review Board ~~must~~shall approve Special ~~Procurements~~procurements. The Contract Review Board may approve the following two types of Special ~~Procurements~~procurements:

(1) A "Class Special ~~Procurement" is a Procurement~~procurement" is a procurement procedure for entering into a series of Contracts over time or for multiple ~~Projects~~projects based on the classification of the Contract.

(2) A "Contract-Specific Special ~~Procurement" is a Procurement~~procurement" is a procurement procedure for the purpose of entering into a single Contract or a number of related Contracts on a one-time basis or for a single ~~Project~~project.

PPS 47-0287 Special Procurements; Request Procedures

(1) To seek approval of an additional Special ~~Procurement~~procurement, the Superintendent shall submit a ~~Written~~written request to the Contract Review Board. The request ~~must~~shall describe the contracting procedure, the ~~Goods and Services~~goods or services or class of ~~Goods and Services~~goods or services that are the subject of the Special ~~Procurement~~procurement, and the circumstances that justify the use of a Special ~~Procurement~~procurement under the standards set forth in ~~Section~~section (2) of this ~~Rule~~rule.

(2) The Contract Review Board shall review and may approve a request for a Special ~~Procurement~~procurement if the Contract Review Board finds that the use of the Special ~~Procurement~~procurement:

(a) Is unlikely to encourage favoritism in the ~~Awarding~~awarding of Public Contracts or to substantially diminish competition for Public Contracts; and

(b) **(A)** Is reasonably expected to result in substantial cost savings to the District or to the public; or

(B) Otherwise substantially promotes the public interest in a manner that could not practicably be realized by complying with ~~Procurement~~procurement requirements that would otherwise be applicable to the ~~Procurement~~procurement under ~~Division~~division 47 of these ~~Rules~~rules.

(3) The District shall give public notice of approval of a Special ~~Procurement~~procurement in the manner provided in ORS 279B.055(4) and PPS 47-0300. The notice will describe the ~~Goods~~goods or ~~Services~~services or class of ~~Goods or Services~~goods or services subject to the Special ~~Procurement~~procurement, and shall give ~~affected~~Affected Persons at least seven ~~Days~~days from the date of notice of the approval of the Special ~~Procurement~~procurement to protest the Special ~~Procurement~~procurement.

(4) An ~~affected Person~~Affected person may protest the approval of a Special ~~Procurement~~procurement in accordance with ORS 279B.400 and PPS 47-0700.

(5) An approved Class Special ~~Procurement~~procurement shall be added to enumerated Class Special ~~Procurements~~procurements in PPS 47-0288.

PPS 47-0288 Approved Class Special Procurements

The Contract Review Board declares the following classes of Contracts for ~~Goods or Services~~goods or services listed in this section as Class Special ~~Procurements~~procurements for which Contracts may be ~~Awarded~~awarded without compliance with the competitive ~~Procurement~~procurement requirements that would otherwise be applicable to the ~~Procurement~~procurement under ~~Division~~division 47 of these ~~Rules~~rules. Unless an alternative ~~Procurement~~procurement process is particularly specified in these ~~Rules~~rules, the selection procedures for such Class Special ~~Procurements~~procurements shall be as the Superintendent determines will result in a Contract that will best serve the interests of the District. Prior to utilizing a Class Special ~~Procurement~~procurement, the Superintendent will document in ~~Writing~~writing in the ~~Procurement File~~Solicitation file the reasons why the Contract qualifies as a Class Special ~~Procurement~~procurement under these ~~Rules~~rules, including any required ~~Findings~~findings. Except as otherwise provided in this ~~Rule~~rule, the School Board ~~must~~shall approve any Contracts ~~Awarded~~awarded pursuant to Special ~~Procurement~~procurement if the Contract Price exceeds the Superintendent's delegated authority under PPS 45-0200. The Contract Review Board hereby designates the following classes of Contracts for Special ~~Procurement~~procurement:

(1) Advertising Contracts. The District may purchase advertising in any medium, regardless of the dollar value of the Contract. The District may sell advertising for District publications or activities, regardless of the dollar value of the Contract.

(2) Equipment Repair/Overhaul. The District may enter into a Public Contract for equipment repair or overhaul without competitive ~~Procurement~~procurement, subject to the following conditions:

(a) Where the extent of the repair or overhaul is unknown or not easily identified; or

(b) Where service or parts requirements are unpredictable; or

(c) Service or parts required are for equipment for which specially trained personnel are required, and such personnel are available from only one source; and

(d) Conducting a competitive process is impractical. The District ~~must~~shall document in the ~~Procurement File~~Solicitation file the reasons why a competitive process was deemed to be impractical

(3) Specifications.

(a) "Or Equal" Specification.

(A) A Brand Name or Equal Specification may be used 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.

(B) The Superintendent is entitled to determine what constitutes a product that is equal or superior to the product specified, and any such determination is final.

(C) Nothing in this section may be construed as prohibiting the Superintendent from specifying one or more comparable products as examples of the quality, performance, functionality, or other characteristics of the product needed by the District.

(b) Specifying a Particular Make or Product. A Brand Name Specification may be prepared and used only if the Superintendent determines for a solicitation or a 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 ~~Findings~~findings:

(A) That use of a Brand Name Specification is unlikely to encourage favoritism in the ~~Awarding~~awarding of Public Contracts or substantially diminish competition for Public Contracts;

(B) That use of a Brand Name Specification would result in substantial cost savings to the District;

(C) That there is only one manufacturer or seller of the product of the quality, performance, or functionality required;

(D) That the equipment or supplies being procured are used in athletic programs or physical education programs; or

(E) That efficient utilization of existing ~~Goods~~goods requires the acquisition of compatible ~~Goods~~goods or ~~Services~~services. For the purposes of this ~~Finding~~finding, "compatibility" includes, without limitation, technical compatibility, technological equity, and equivalent ease of training, durability, and use. "Compatibility" also includes, without limitation, compatibility among equipment in a standardized technology bundle developed to deliver curriculum in a classroom.

(4) Copyrighted Materials and Creative Works. The District may directly purchase copyrighted materials or creative works regardless of dollar value if available from only one source. Examples of copyrighted materials covered by this exemption may include, but are not necessarily limited to, ~~new adopted~~all adopted curriculum materials and tools in any format, including without limitation hard copy, electronic, digital or online. Examples of such curriculum material include textbooks, workbooks, curriculum kits, on-line curriculum, instructional software applications and related digital resources, assessments, assessment materials and reports~~,~~. This exemption also includes reference materials~~,~~ in any format, including without limitation books, periodicals, audio and visual media, and non-mass-marketed software. Examples of creative works covered by this Class Special ~~Procurement include, but are not limited to~~procurement including without limitation, artwork, music, uncopyrighted writings, and similar works.

(5) Insurance and Employee Benefits. The District may purchase liability, property damage, workers' compensation, and other insurance and insurance services Contracts, and employee benefits, without ~~Competitive Procurement~~competitive procurement and regardless of dollar amount, by selecting either a vendor directly or by appointing an agent of record. For the purpose of this Special ~~Procurement~~procurement, "employee benefits" includes, but is not limited to, "employee benefit plans" as defined in ORS 243.105(1), plans provided through the Oregon Educators Benefits Board pursuant to ORS 243.860 through 243.886, plans provided through the School District No. 1J Health and Welfare Trust, flexible benefit plans as defined in ORS 243.221, insurance or other benefit based on life, supplemental medical, supplemental dental, optical, accidental death or disability insurance plans, long-term care insurance, health care coverage to retired officers, employees, spouses, and children, employee assistance plans, and expense reimbursement plans.

(6) Spot Buys. This Special ~~Procurement~~procurement provides a process for the District to procure products that are available for a limited period of time at "lower-than-normal" prices (also referred to as "spot buys").

(a) Regardless of dollar value and without ~~Competitive Procurement~~competitive procurement, the District may purchase "spot buys."

(b) Conditions. The District may procure an unlimited dollar value of products when any of the following conditions are present:

(A) A non-exclusive mandatory-use Contract or regularly scheduled ~~Bid~~bid process already exists for the item being purchased;

(B) The proposed unit price of the item(s) to be purchased is significantly less than a comparable item's price on an existing mandatory-use Contract, recent ~~Bid~~bid, or based on obtaining at least three ~~Quotes~~quotes, and the amount saved exceeds any additional administrative costs incurred to purchase the item using this Special ~~Procurement~~procurement;

(C) The product being purchased has limited availability (i.e., the product may no longer be available or available at the special price upon completion of normal ~~Bid~~bid processes); or

(D) Any mandatory-use Contract currently in place for the item being purchased contain clauses allowing for the use of this Special ~~Procurement~~procurement.

(c) Notwithstanding Subsection 6(b) of this section, the District may not purchase a spot buy if doing so would jeopardize fulfillment of a guaranteed minimum volume under an existing mandatory-use Contract;

(d) Documentation. Purchases may only be made under this Special ~~Procurement~~procurement if the Superintendent documents to the ~~Procurement File~~Solicitation file that the conditions set forth in ~~Section~~section (6)(b) apply to the proposed purchase.

(e) Notwithstanding PPS 45-0200, the School Board hereby authorizes the Superintendent to enter into and approve payment on "spot-buy" Contracts in any dollar amount, but will report the nature and amount of the Contract to the School Board as provided in PPS 45-0200(6).

(7) Price Agreements.

(a) Price Agreements may be established for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining District requirements for volume discounts, creating standardization among agencies, and reducing lead time for ordering. The Superintendent may enter into Price Agreements to purchase ~~Goods or Services~~goods or services for an anticipated need at a predetermined price, but the Contract ~~must~~shall be let by a ~~Competitive Procurement~~competitive procurement process pursuant to the requirements of these ~~Rules~~rules.

(b) The Superintendent may purchase the ~~Goods and Services~~goods or services from a Contractor ~~Awarded~~awarded a Price Agreement without first undertaking additional ~~Competitive~~competitive solicitation up to the amount set forth in the Price Agreement.

(c) The Superintendent may use the Price Agreement entered into by another Public Agency when the Original Contract was let pursuant to PPS 46-0400 through 46-0480;

(d) The term of the Price Agreement, including renewals, may not exceed the term stated in the original solicitation.

(8) Purchase of Used Personal Property. The District may purchase used property or equipment. "Used personal property or equipment" is property or equipment that has been placed in its intended use by a previous owner or user for a time recognized in the relevant trade or industry as qualifying the personal property or equipment as "used" at the time of the 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 under a similar arrangement. Notwithstanding PPS 45-0200, the School Board hereby authorizes the Superintendent to enter into and approve payment on a Contract for the purchase of used personal property in any dollar amount.

(9) Sale of Used Personal Property.

(a) The Superintendent may sell used personal property without obtaining ~~Competitive~~competitive Bids or ~~Quotes~~quotes if a liquidation sale would bring in greater revenue to the District than would be gained through Bids. As used in this section, "surplus personal property" is property or

equipment that has been determined to no longer be useful to the District. It may be property or equipment that the District has used for some time and that is fully used up or obsolete. It may be property or equipment that is the natural excess or leftover from a ~~Project~~project, such as cable, wire, carpet, etc., that has been cut or partially used in some manner so that it cannot be returned to the supplier for a refund.

(b) For sales of surplus property valued at more than $25,000 per item or lot, the Superintendent ~~must~~shall attempt to obtain at least three ~~Competitive Quotes~~competitive quotes. The Superintendent will keep a ~~Written~~written record of the source and number of ~~Quotes~~quotes received. If three ~~Quotes~~quotes are not available, a ~~Written~~written record ~~must~~shall be made of the attempt to obtain three ~~Quotes~~quotes.

(c) The Superintendent may sell used personal property regardless of price via an electronic auction or sales service including, without limitation, eBay, Craigslist, or other similar Internet-based auctions or marketplaces. If the service does not otherwise provide for a competitive sales process, the Superintendent will establish a minimum ~~Bid~~bid, a time period for acceptance of Bids, and will not sell the property unless the Superintendent receives a minimum of three Bids. The sale will be ~~Awarded~~awarded to the highest Responsible ~~Bidder~~bidder submitting a Responsive Bid, except that the Superintendent may accept a lower ~~Bid~~bid if transportation or other costs associated with collection or delivery of the property would offset the higher ~~Bid~~bid amount.

(d) The Superintendent may sell, sell at a discount, or donate used personal property to another school district, to another Public Body, or to a nonprofit corporation that provides educational, social, or other important services to the District, District students, or families of District students.

(e) If the Superintendent determines that the used personal property has no market value, or that the market value is so low that the staff time or cost involved in selling the property is likely to exceed the value of the used personal property, the Superintendent may dispose of the property as the Superintendent determines is in the best interest of the District.

(10) Reverse Auctions.

(a) A reverse auction means a process for the purchase of ~~Goods and Services~~goods or services from the lowest ~~Bidder~~bidder. The District ~~must~~shall conduct reverse auctions by first publishing a solicitation that describes its requirements and Contract terms and conditions. Then the District ~~must~~shall solicit online Bids from all interested ~~Bidders~~bidders through an Internet-based program. The solicitation ~~must~~shall set forth a start and end time for Bids and specify the following type of information to be disclosed to ~~Bidders~~bidders during the reverse auction:

(A) The prices of the other ~~Bidders~~bidders or the price of the most ~~Competitive Bidder~~competitive bidder;

(B) The rank of each ~~Bidder~~bidder (e.g., (i) "winning" or "not winning" or (ii) "1st, 2nd, or higher");

(C) The scores of the ~~Bidders~~bidders if the District chooses to use a scoring model that weighs non-price factors in addition to price; or

(D) Any combination of (A), (B), and (C) above. Before the reverse auction commences, ~~Bidders must~~bidders shall be required by the District to assent to the Contract terms and conditions, either in ~~Writing~~writing or by an Internet "click" agreement. The ~~Bidders~~bidders then compete for the ~~Award~~award of a Contract by offering successively lower prices, informed by the price(s), ranks, and scores, separately or in any combination thereof, disclosed by the District. The identity of the ~~Bidders must~~bidders shall not be revealed during this process. Only the successively lower price(s), ranks, scores, and related details,

separately or in any combination thereof, will be revealed to the participants. The District may cancel this solicitation if the District determines that it is in the District's best interest. At the end of this Bidding process, the District ~~must Award~~shall award any potential Contract to the lowest Responsible ~~Bidder~~bidder, or in the case of multiple ~~Awards~~awards, lowest Responsible ~~Bidders~~bidders pursuant to ORS 279A.055(10)(b). This process allows the District to test and determine the suitability of the ~~Goods and Services~~goods or services before making the ~~Award~~award.

(11) Software and Hardware Maintenance, Licenses, Subscriptions, Other Digital Resources and Upgrades. The Superintendent may directly enter into a Contract or renew existing Contracts for information technology and telecommunications hardware or software maintenance, software licenses~~,~~ and subscriptions~~,~~ (including for programs, applications, and other digital or electronic resources), and upgrades without competitive solicitation where the maintenance, upgrades, subscriptions, and licenses are either available from only one source or, if available from more than one provider, are obtained from the District's current provider in order to utilize the pre-existing knowledge of the vendor regarding the specifics of the District's hardware or software system. The Superintendent shall document in the ~~Procurement File~~Solicitation file the facts that justify either that maintenance, licenses, subscriptions, and upgrades were available from only one source or, if from more than one source, from the current vendor.

(12) Hazardous Material Abatement.

(a) The Superintendent may enter into Public Contracts without ~~Competitive Procurement~~competitive procurement, regardless of dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted by the Oregon Department of Environmental Quality ("DEQ") under ORS ~~Chapter~~chapter 466, especially ORS 466.605 through 466.680. In exercising its authority under this exemption.

(b) The Superintendent ~~must~~shall, to the extent reasonable under the circumstances, encourage competition by attempting to obtain informal ~~Quotes~~quotes from potential suppliers of ~~Goods and Services~~goods or services.

(c) The department responsible for managing or coordinating the clean-up ~~must~~shall submit a ~~Written~~written description of the circumstances that require the clean-up and a copy of the DEQ order for the clean-up to the District Purchasing Department.

(d) The District Purchasing and Contracting Department ~~must~~shall record the measures taken under ~~Section~~section (12)(b) of this ~~Rule~~rule to encourage competition, the amount of the ~~Quotes~~quotes or Proposals obtained, if any, and the reason for selecting the Contractor to whom ~~Award~~award is made.

(e) The District may not contract pursuant to this exemption in the absence of an order from the DEQ to clean up a site that includes a time limit that would not allow the District to hire a Contractor under normal ~~Competitive Procurement~~competitive procurement procedures. ~~Goods and Services~~goods or services to perform other hazardous material removal or clean-up will be purchased in accordance with normal ~~Competitive Procurement~~competitive procurement procedures as described in these ~~Rules~~rules and policies.

(f) Notwithstanding PPS 45-0200, the School Board hereby authorizes the Superintendent to enter into and approve payment on a Contract for hazardous material abatement in any dollar amount.

(13) Purchase of Products for Resale to Students and Staff. The District may purchase personal property for resale to students and staff without ~~Competitive Procurement~~competitive procurement and regardless of dollar amount.

(14) Radio and Television Contracts for Student Activities.

(a) Generally. The Superintendent ~~must use a Competitive Procurement~~shall use a competitive procurement method (e.g., an Invitation to Bid or Request for ~~Proposals~~proposal) to obtain ~~Written~~written Bids or Proposals to provide commercial radio and television ~~Services~~services for any student activity or District program, including athletics, if the value of the ~~Services~~services totals more than $150,000, regardless of whether the District is paying or receiving revenue under the Contract.

(b) Specific and Ancillary Services. The Solicitation Document used to invite Bids or Proposals to furnish radio or television ~~Services~~services to District programs ~~must~~shall include the minimum ~~Bidder~~bidder or qualifications and ~~Service~~service specifications and will conform to the other requirements of the "Request for ~~Proposal" Rule~~proposal" rule herein. The Solicitation Document may invite interested ~~Bidders~~bidders or Proposers to offer other ancillary ~~Services~~services. Each ancillary ~~Service~~service, if offered, ~~must~~shall be accompanied by a dollar value that reflects the current purchase price for the ~~Service~~service and a description of the ~~Service~~service and its use and application.

(c) Term of Contract. A Contract for radio or television ~~Services~~services may be ~~Awarded~~awarded for up to five years.

(15) Donated Materials or Services. The District may directly negotiate a Contract with a Person to perform ~~Services~~services or provide ~~Goods or Services~~goods or services regardless of dollar amount, if:

(a) The Person has agreed to donate all or a significant portion of the materials or ~~Services~~services necessary to perform the ~~Work~~work; and

(b) The Person enters into a license or agreement with the District whereby the Person agrees to comply with the Public Contract requirements applicable to the particular ~~Project~~project and any requirements that the District deems necessary or beneficial to protect the District.

(16) Manufacturer Direct Supplies. The District may purchase ~~Goods~~goods directly from a manufacturer if a large-volume purchase is required and the cost from the manufacturer is the same or less than the cost the manufacturer charges to its distributor(s). ~~Procurements~~procurements of this type are made on a Contract-by-Contract basis and are not Price Agreements.

(17) Benson House Program Contracts. The District may directly negotiate a Contract for ~~Goods~~goods and/or ~~Services~~services without complying with the ~~Competitive Procurement~~competitive procurement requirements of these ~~Rules~~rules where the Contract is for the purpose of supporting the Benson Polytechnic High School Building Construction Class, and all or a portion of the Contract Price is discounted or donated to the District.

(18) Purchases Under Contracts Solicited by Nonprofit Procurement Organizations of Which the District Is a Member. The District may purchase ~~Goods~~goods and/or ~~Services~~services under a Contract or ~~Procurement~~procurement solicited by a Nonprofit ~~Procurement~~procurement Organization of which it is a member. For the purposes of this Special ~~Procurement, such a Procurement~~procurement, such a procurement Organization will be considered to be an "Administering Contracting Agency" and a "Contracting Purchasing Group" under PPS 46-0400 through 46-0480. Such ~~Procurement must~~procurement shall otherwise comply with the requirements for permissive, joint, or Interstate Cooperative ~~Procurements~~procurements, as applicable, pursuant to PPS 46-0400 through 46-0480.

(19) Secure, Specialized Transportation for Special Needs Students. The Superintendent may contract directly for transportation services for special needs students where such transportation need requires a transportation service with skills or equipment tailored to the needs of the particular special needs student or class of special needs students. For the purposes of this Special ~~Procurement~~procurement, a "special needs student" is a student with special physical, mental, developmental, or security needs such that District

transportation, public transportation, or other private general transportation providers (taxicabs, town car services, charter services, etc.) cannot provide safe, beneficial, or timely service. Notwithstanding PPS 45-0200, the School Board hereby authorizes the Superintendent to enter into and approve payment on a Contract for secure, specialized transportation, in any dollar amount.

(20) FSCP. The Superintendent may establish an FSCP for ~~Goods, Services~~goods, services, or construction services that are not Public Improvements for a particular class of ~~Services~~services, where the need for such ~~Services~~services is ongoing in nature, where it is difficult to anticipate the ~~Service~~service need, time, amount, or availability of Contractors, or where ~~Service~~service needs arise so quickly that it is not practical or cost-effective to conduct individual solicitations under these ~~Rules~~rules. An FSCP shall comply with the following requirements:

(a) Solicitation to Create an FSCP. An FSCP for ~~Goods or Services~~goods or services shall be solicited based on the total cost of the ~~Work~~work estimated to be ~~Awarded~~awarded through the FSCP during its life. If the total amount of the ~~Work~~work is estimated to be over $150,000, the Superintendent shall use a ~~Competitive Sealed~~competitive sealed Proposals process as provided in PPS 47-0260. If the total amount of the ~~Work~~work is $150,000 or less, the FSCP may be solicited pursuant to the ~~Intermediate Procurement~~intermediate procurement process set forth in PPS 47-0270.

(A) The Superintendent shall document the reasons for establishing an FSCP consistent with this ~~Rule~~rule in the ~~Procurement File~~Solicitation file. This documentation ~~must~~shall be reviewed and approved by the Director of ~~Procurement~~procurement as demonstrating that the procurement qualifies for use of an FSCP under these ~~Rules~~rules.

(B) The solicitation shall describe the class of Contracts that can be ~~Awarded~~awarded to Contractors in the FSCP. The District may not ~~Award~~award Contracts outside the designated class of Contracts to the FSCP.

(C) The solicitation shall set forth the number of Contractors that will be appointed to the FSCP, the selection criteria, and the methodology for ranking the requests and selecting the Contractors to be appointed to the pool.

(D) The solicitation may request a binding Price ~~Quote~~quote or rate that will become part of a subsequent Contract or may establish the pool based on qualification alone.

(E) The solicitation may set or limit the value of the ~~Work~~work to be performed by the FSCP.

(b) Contracting for Work from an FSCP. Once an FSCP has been established, the Superintendent may negotiate Contracts directly with Contractors in the pool to perform certain ~~Services~~services or provide certain ~~Goods~~goods within the established scope of the ~~Work~~work. Upon creation of the FSCP, the Superintendent will generate a random list of names of the Contractors appointed to the FSCP. Contracts for individual ~~Services~~services or ~~Goods~~goods will be offered, negotiated, and ~~Awarded~~awarded sequentially to Contractors on the FSCP list. Once the Superintendent has offered a Contract to all of the Contractors in the FSCP (whether or not some or all of the Contractors have accepted the Offer), a new random FSCP list will be generated. The Superintendent may Offer a Contract to Contractors out of sequence in the following circumstances:

(A) The Contractor that is next on the list declines or is unavailable during the time period needed.

(B) Contract negotiations with the next-listed Contractor are not successful.

(C) The ~~Project~~project is for ~~Goods or Services~~goods or services that is a continuation of, addition to, or connected with ~~Goods or Services~~goods or services previously performed by

a Contractor on the list, and such prior experience means that it is in the best interest of the District to ~~Award~~award the Contract to the Contractor that performed the prior Work or provided the prior ~~Goods~~goods.

(D) The nature of the ~~Project~~project is such that the Superintendent determines that an additional analysis of Contractor capability or capacity is required. In order to make this determination, the Superintendent shall conduct an ~~Intermediate Procurement~~intermediate procurement pursuant to PPS 47-0270 limited to Contractors in the FSCP.

If a Contractor is selected outside of the sequence, the reason shall be documented in ~~Writing~~writing in the ~~Procurement File~~Solicitation file.

(c) An FSCP established under this ~~Rule~~rule will expire after three years from the date of Closing of the ~~solicitation~~Solicitation, unless reestablished as provided in this ~~Rule~~rule.

(d) Appointment to an FSCP does not guarantee that a Contractor will receive a particular amount of ~~Work~~work or orders, or any Work or orders at all.

(e) The establishment of an FSCP does not preclude the Superintendent from procuring ~~Goods or Services~~goods or services that would otherwise fall within the FSCP from other Contractors through any other ~~Procurement~~procurement method authorized under these ~~Rules~~rules.

(f) At any time during the term of an FSCP, the Superintendent may request confirmation from a Contractor or Contractors in the pool that the Contractor continues to maintain the skills, personnel, inventory, or other capability needed to perform the class of ~~Work~~work or provide the required ~~Goods~~goods or ~~Services~~services.

(g) If an FSCP for construction services is reasonably estimated to include Public Works ~~Projects~~projects that will total over $50,000 during the life of the FSCP, Public Works Contracts ~~Awarded~~awarded to Contractors on an FSCP list shall require the payment of prevailing wages pursuant to ORS 279C.800 through 279C.870.

(21) Contracts for Price-Regulated Items. The Superintendent may contract for the direct purchase of ~~Goods or Services~~goods or services where the rate or price for the ~~Goods or Services~~goods or services being purchased is established by federal, state, or local regulatory authority without competitive solicitation.

(22) Service Monopoly. The Superintendent may enter into Contracts for Work by a utility or other entity that has been granted a monopoly for ~~Services~~services for a specific geographic area or provision of a type of ~~Service~~service and by agreement the utility or entity is either entitled to or is required to perform the required Work.

(23) Investment Contracts. The Superintendent may contract for the investment of District funds or the borrowing of funds by the District when such investment or borrowing is contracted pursuant to statute, rule, or constitution. The Superintendent shall use competitive methods where possible to achieve the best value for the District.

(24) Rating Agency Contracts. The District may purchase the ~~Services~~services of Moody's Investors ~~Service~~service, Standard & Poor's, or similar rating agencies.

(25) Gasoline, Diesel Fuel, Heating Oil, Lubricants, and Asphalt. The Superintendent may purchase gasoline, diesel fuel, heating oil, lubricants, and asphalt using the ~~Intermediate Procurement~~intermediate procurement Process set forth in PPS 47-0270 regardless of dollar amount.

(26) Hotel, Catering, and Space Rental Contracts.

(a) The Superintendent may rent a room or meeting facility in a hotel, event space, or other venue for District purposes without competitive procurement.

(b) The Superintendent may hire a caterer without competitive procurement where use of a particular caterer or catering service is a condition of rental of a facility.

(27) Specialized Assistive Equipment for Students. The superintendent may directly procure specialized assistive equipment for students, including without limitation positioning equipment for orthopedically impaired students and assistive technology for blind/vision impaired, deaf/hard of hearing, and deaf/blind students, and augmentative and alternative communication equipment for students who require such assistance.

(28) Service, Repair, or Maintenance Services for Products under Warranty. The superintendent may directly procure service, repair, or maintenance services from a manufacturer, dealer, or authorized service provider for a product or a system subject to a warranty when the terms of the warranty require use of a particular maintenance service provider or providers, or when the manufacturer or approved provider ~~must~~shall diagnose a problem because the system or part is proprietary.

PROCUREMENT PROCESS

PPS 47-0300 Public Notice of Solicitation Documents

(1) Notice of Solicitation Documents; Fee. The District shall provide public notice of every Solicitation Document in accordance with ~~Section~~section (2) of this ~~Rule~~rule. The District may give additional notice using any method it determines appropriate to foster and promote competition, including:

(a) Mailing notice of the availability of the Solicitation Document to Persons that have expressed an interest in the District's ~~Procurements~~procurements;

(b) Placing notice on the District's ~~Electronic Procurement~~electronic procurement System; or

(c) Placing notice on the District's Internet World Wide Web site.

(2) Advertising. The District shall advertise every notice of a Solicitation Document as follows:

(a) The District shall publish the advertisement for Offers in accordance with the requirements of ORS 279B.055(4) and 279B.060(5) in at least one newspaper of general circulation in the District and in as many other publications as the District may determine; or

(b) The District may publish the advertisement for Offers on the District's ~~Electronic Procurement~~electronic procurement System instead of publishing notice in a newspaper of general circulation ~~as authorized~~required by ORS 279B.055(~~4~~)~~(c)~~ when the District determines that doing so is more cost effective.

(c) Notice shall be given at least seven ~~Days~~days prior to the ~~solicitation~~Solicitation Closing day.

(3) Content of Advertisement. All advertisements for Offers shall set forth:

(a) Where, when, how, and for how long the Solicitation Document may be obtained;

(b) A general description of the ~~Goods~~goods or ~~Services~~services to be acquired;

(c) The interval between the first date of notice of the Solicitation Document given in accordance with ~~Sections~~2ections (2)(a) or (b) above and Closing, which shall not be less than ~~seven Days~~fourteen (14) days for an Invitation to Bid and ~~14 Days~~thirty (30) days for a Request for ~~Proposals~~proposal, unless the District determines that a shorter interval is in the public's interest, and that a shorter interval will not substantially affect competition. However, in no event shall the interval between the first date of notice of the Solicitation Document given in accordance with ~~Section~~section (2)(a) or (b) above and Closing be less than seven ~~Days~~(7) days as set forth in ORS 279B.055(4)(f). The District shall document the specific reasons for the shorter public notice period in the ~~Procurement File~~Solicitation file;

(d) The date that Persons ~~must~~shall file applications for prequalification if prequalification is a requirement, and that the class of ~~Goods~~goods or ~~Services~~services is one for which Persons ~~must~~shall be prequalified;

(e) The office where Contract terms, conditions, and ~~Specifications~~specifications may be reviewed;

(f) The name, title, and address of the individual authorized by the District to receive Offers;

(g) The scheduled Opening; and

(h) Any other information the District deems appropriate.

(4) Posting Advertisement for Offers. The District shall post a copy of each advertisement for Offers at the principal business office of the District. An Offeror may ~~request~~obtain a copy of the advertisement for Offers upon request.

(5) Fees. The District may charge a fee or require a deposit for the Solicitation Document.

(6) Notice of Addenda. The District shall provide potential Offerors notice of any Addenda to a Solicitation Document in accordance with PPS 47-0430.

PPS 47-0310 Bids or Proposals Are Offers

(1) Offer and Acceptance. The Bid or ~~Proposal~~proposal is the ~~Bidder's~~bidder's or Proposer's Offer to enter into a Contract.

(a) In ~~Competitive Bidding and Competitive~~competitive bidding and competitive Proposals, the Offer is always a "Firm Offer," i.e., the Offer shall be held open by the Offeror for the District's acceptance for the period specified in PPS 47-0480. The District may elect to accept the Offer at any time during the specified period, and the District's ~~Award~~award of the Contract constitutes acceptance of the Offer and binds the Offeror to the Contract.

(b) Notwithstanding the fact that a ~~Competitive Proposal~~competitive proposal is a "Firm Offer" for the period specified in PPS 47-0480, the District may elect to discuss or negotiate certain contractual provisions, as identified in these ~~Rules~~rules or in the Solicitation Document, with the Proposer. Where negotiation is permitted by the ~~Rules~~rules or the Solicitation Document, Proposers are obligated to negotiate in good faith and only on those terms or conditions that the ~~Rules~~rules or the Solicitation Document have reserved for negotiation.

(2) Contingent Offers. Except to the extent that the Proposer is authorized to propose certain terms and conditions pursuant to PPS 47-0262, a Proposer ~~must~~shall not make its Offer contingent upon the District's acceptance of any terms or conditions (including ~~Specifications~~specifications) other than those contained in the Solicitation Document.

(3) Offeror's Acknowledgment. By ~~Signing~~signing and returning the Offer, the Offeror acknowledges ~~that~~ it has read and understands the terms and conditions contained in the Solicitation Document and that it accepts and agrees to be bound by the terms and conditions of the Solicitation Document. If the Request for ~~Proposals~~proposal permits Proposers to propose alternative terms or conditions under PPS 47-0261, the Offeror's Offer ~~shall include~~includes any nonnegotiable terms and conditions, any proposed terms and conditions offered for negotiation upon and to the extent accepted by the District in ~~Writing~~writing, and Offeror's agreement to perform the scope of ~~Work~~work and meet the performance standards set forth in the final negotiated scope of ~~Work~~work.

PPS 47-0320 ~~Facsimile~~facsimile Bids and Proposals

(1) District Authorization. The District may authorize Offerors to submit ~~Facsimile~~facsimile Offers. If the District determines that ~~Bid or Proposal~~bid or proposal security is or will be required, the District should not authorize ~~Facsimile~~facsimile Offers unless the District has another method for receipt of such security.

Prior to authorizing the submission of ~~Facsimile~~facsimile Offers, the District ~~must~~shall determine that the District's equipment and personnel are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the District ~~must~~shall establish administrative procedures and controls:

(a) To receive, identify, record, and safeguard ~~Facsimile~~facsimile Offers;

(b) To ensure timely delivery of Offers to the location of Opening; and

(c) To preserve the Offers as sealed.

(2) Provisions to Be Included in Solicitation Document. In addition to all other requirements, if the District authorizes a ~~Facsimile~~facsimile Offer, the District ~~will~~shall include in the Solicitation Document the following:

(a) A provision substantially in the form of the following: "A '~~Facsimile~~facsimile Offer,' as used in this Solicitation Document, means an Offer, modification of an Offer, or withdrawal of an Offer that is transmitted to and received by the District via a facsimile machine";

(b) A provision substantially in the form of the following: "Offerors may submit ~~Facsimile~~facsimile Offers in response to this Solicitation Document. The entire response ~~must~~shall arrive at the place and by the time specified in this Solicitation Document";

(c) A provision that requires Offerors to ~~Sign~~sign their ~~Facsimile~~facsimile Offers;

(d) A provision substantially in the form of the following: "The District reserves the right to ~~Award~~award the Contract solely on the basis of a ~~Facsimile~~facsimile Offer." However, upon the District's request the apparent successful Offeror ~~must~~shall promptly submit its complete original ~~Signed~~signed Offer;

(e) The data and compatibility characteristics of the District's receiving facsimile machine as follows:

(A) Telephone number; and

(B) Compatibility characteristics, e.g., make and model number, receiving speed, ~~and~~ communications protocol~~.~~; and

(f) A provision that ~~provides that~~ the District is not responsible for any failure attributable to the transmission or receipt of the ~~Facsimile~~facsimile Offer including, but not limited to, the following:

(A) Receipt of garbled or incomplete documents;

(B) Availability or condition of the receiving facsimile machine;

(C) Incompatibility between the sending and receiving facsimile machine;

(D) Delay in transmission or receipt of documents;

(E) Failure of the Offeror to properly identify the Offer documents;

(F) Illegibility of Offer documents; and

(G) Security and confidentiality of data.

PPS 47-0330 ~~E-Procurement~~Electronic procurement

(1) Electronic ~~Procurement~~procurement Authorized.

(a) The District may conduct all phases of a ~~Procurement~~procurement, including, without limitation, the posting of Electronic Advertisements and the receipt of electronic Offers, by electronic methods if and to the extent the District specifies in a Solicitation Document, a Request for

~~Quotes~~quotes, or any other ~~Writing that instructs Persons~~written instructions on how to participate in the ~~Procurement~~procurement.

(b) The District ~~must~~shall open an Electronic Offer in accordance with electronic security measures in effect at the District at the time of its receipt of the Electronic Offer. Unless the District provides procedures for the secure receipt of Electronic Offers, the Person submitting the Electronic Offer assumes the risk of premature disclosure due to submission in unsealed form.

(c) The District's use of electronic ~~Signatures must~~signatures shall be consistent with applicable statutes and ~~Rules~~rules. The District ~~must authorize, and~~ may limit the use of, electronic methods of conducting a ~~Procurement~~procurement based on the best interests of the District, as determined by the District.

(d) If the District determines that ~~Bid or Proposal~~bid or proposal security is or will be required, the District should not authorize Electronic Offers unless the District has another method for receipt of such security.

(2) Rules Governing ~~Electronic Procurements~~electronic procurements. The District ~~must~~shall conduct all portions of an ~~Electronic Procurement~~electronic procurement in accordance with these ~~Division~~division 47 ~~Rules~~rules, unless otherwise set forth in this ~~Rule~~rule.

(3) Preliminary Matters. As a condition of participation in an ~~Electronic Procurement~~electronic procurement, the District may require potential Contractors to register with the District before the date and time on which the District ~~will~~shall first accept Offers, to agree to the terms, conditions, or other requirements of a Solicitation Document, or to agree to terms and conditions governing the ~~Procurement~~procurement, such as procedures that the District may use to attribute, authenticate, or verify the accuracy of an Electronic Offer, or the actions that constitute an electronic ~~Signature~~signature.

(4) Offer Process. The District may specify that Persons ~~must~~shall submit an Electronic Offer by a particular date and time, or that Persons may submit multiple Electronic Offers during a period of time established in the Electronic Advertisement. When the District specifies that Persons may submit multiple Electronic Offers during a specified period of time, the District ~~must~~shall designate a time and date on which Persons may begin to submit Electronic Offers, and a time and date after which Persons may no longer submit Electronic Offers. The date and time after which Persons may no longer submit Electronic Offers need not be specified by a particular date and time, but may be specified by a description of the conditions that, when they occur, will establish the date and time after which Persons may no longer submit Electronic Offers. When the District ~~will~~shall accept Electronic Offers for a period of time ~~other than~~, then at the designated date and time that the District ~~will~~shall first receive Electronic Offers, the District ~~must~~shall begin to accept real time Electronic Offers on an ~~Electronic Procurement~~electronic procurement System, and ~~must~~shall continue to accept Electronic Offers in accordance with ~~Section~~section (5)(b) of this ~~Rule~~rule until the date and time specified by the District, after which the District ~~will~~shall no longer accept Electronic Offers.

(5) Receipt of Electronic Offers.

(a) When the District conducts an ~~Electronic Procurement~~electronic procurement that provides that all Electronic Offers ~~must~~shall be submitted by a particular date and time, the District ~~must~~shall receive the Electronic Offers in accordance with these ~~Division~~division 47 ~~Rules~~rules.

(b) When the District specifies that Persons may submit multiple Electronic Offers during a period of time, the District ~~must~~shall accept Electronic Offers, and Persons may submit Electronic Offers, in accordance with the following:

(A) Following receipt of the first Electronic Offer after the ~~date~~day and time that the District first receives Electronic Offers, the District ~~must~~shall post ~~and update~~on the District's Electronic

procurement System, and updated on a real-time basis~~:~~, the lowest Electronic Offer price or highest ranking Electronic Officer.

~~**(i)** The prices of the other Bidders or the price of the most Competitive Bidder;~~

~~**(ii)** The rank of each Bidder (e.g., (1) "winning" or "not winning" or (2) "1st, 2nd, or higher";~~

~~**(iii)** The scores of the Bidders if the District chooses to use a scoring model that weighs non-price factors in addition to price; or~~

~~**(iv)** Any combination of (i), (ii), and (iii) above. At any time before the date and time after which the District will no longer receive Electronic Offers, a Person may revise its Electronic Offer, except that a Person may not lower its price unless that price is below the then lowest Electronic Offer.~~

(B) A Person may not increase the price set forth in an Electronic Offer after the date and time that the District first accepts Electronic Offers.

(c) ~~**(C)**~~ A Person may withdraw an Electronic Offer only in compliance with these ~~Division~~division 47 ~~Rules~~rules. If a Person withdraws an Electronic Offer, it may not later submit an Electronic Offer at a price higher than that set forth in the withdrawn Electronic Offer.

(6) Failure of the ~~E-Procurement~~E-procurement System. In the event of a failure of the District's Electronic procurement System that interferes with the ability of Persons to submit Electronic Offers, protest, or to otherwise participate in the ~~Procurement~~procurement, the District may cancel the ~~Procurement~~procurement in accordance with PPS 47-0660, or may extend the date and time for receipt of Electronic Offers by providing notice of the extension immediately after the ~~system~~Electronic procurement System becomes available.

BID AND PROPOSAL PREPARATION

PPS 47-0400 Offer Preparation

(1) Instructions. ~~Offerors must~~(1) Instructions. An Offeror shall submit and ~~Sign their Offers~~sign its Offer in accordance with the instructions set forth in the Solicitation Document. ~~Offerors must initial any corrections or erasures to their Offers.~~An Offeror shall initial and submit any correction or erasure to its Offer prior to Opening in accordance with the requirements for submitting an Offer set forth in the Solicitation Document.

(2) Forms. ~~Offerors must~~An Offeror shall submit ~~their~~its Offer on the form(s) provided in the Solicitation Document, unless ~~Offerors are~~an Offeror is otherwise instructed in the Solicitation Document.

(3) Documents. ~~Offerors must~~An Offeror shall provide the District with all documents and Descriptive Literature required by the Solicitation Document.

PPS 47-0410 Offer Submission

(1) Product Samples and Descriptive Literature. The District may require Product Samples or Descriptive Literature if the District determines either is necessary or desirable to evaluate the quality, features, or characteristics of an Offer. The District ~~will~~shall dispose of Product Samples, or make them available for the Offeror to retrieve, in accordance with the Solicitation Document.

(2) Identification of Offers.

(a) To ensure proper identification and handling, Offers ~~must~~shall be submitted in a sealed envelope appropriately marked or in the envelope provided by the District, whichever is applicable. If the District permits Electronic Offers or ~~Facsimile~~facsimile Offers in the Solicitation Document, the Offeror may submit and identify Electronic Offers or ~~Facsimile~~facsimile Offers in accordance

with these ~~Division~~division 47 ~~Rules~~rules and the instructions set forth in the Solicitation Document. The District ~~will~~shall not consider ~~Facsimile or Electronic~~facsimile or electronic Offers unless authorized by the Solicitation Document.

(b) The District is not responsible for Offers submitted in any manner, format, or to any delivery point other than as required in the Solicitation Document.

(3) Receipt of Offers. ~~Offerors are~~The Offeror is responsible for ensuring that the District receives ~~their Offers~~its Offer at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

PPS 47-0420 Pre-Offer Conferences

(1) Purpose. The District may hold pre-Offer conferences with prospective Offerors prior to Closing to explain the ~~Procurement~~procurement requirements, obtain information, or to conduct site inspections.

(2) Required Attendance. The District may require attendance at the pre-Offer conference as a condition for making an Offer.

(3) Scheduled Time. If the District holds a pre-Offer conference, it ~~must~~shall be held within a reasonable time after the Solicitation Document has been issued, but sufficiently before the Closing to allow Offerors to consider information provided at that conference.

(4) Statements Not Binding. Statements made by the District's representative at the pre-Offer conference do not change the Solicitation Document unless the District confirms such statements with a ~~Written~~written Addendum to the Solicitation Document.

(5) District Announcement. The District ~~must~~shall set forth notice of any pre-Offer conference in the Solicitation Document in accordance with PPS 47-0255(2) or 47-0260(2).

PPS 47-0430 Addenda to Solicitation Document

(1) Issuance; Receipt. The District may change a Solicitation Document only by ~~Written~~written Addenda. An Offeror ~~must~~shall provide ~~Written~~written acknowledgment of receipt of all issued Addenda with its Offer, unless the District otherwise specifies in the Addenda.

(2) Notice and Distribution. The District ~~must~~shall notify prospective Offerors of Addenda in a manner intended to foster competition and to make prospective Offerors aware of the Addenda. The Solicitation Document ~~must~~shall specify how the District ~~will~~shall provide notice of Addenda and how the District ~~will~~shall make the Addenda available before Closing, and at each subsequent step or ~~phase~~tier of evaluation if the District ~~will~~shall engage in a ~~Multi-Step Competitive Sealed Bidding~~multistep competitive sealed bidding process in accordance with PPS 47-0257, or a ~~Multi-Tiered or Multi-Step Competitive Sealed Proposals~~multi-tiered or multistep competitive sealed proposals process in accordance with PPS 47-0261. The following is an example of how the District may specify how it will provide notice of Addenda: "The District will not mail notice of Addenda, but will ~~post public~~publish notice of any Addenda on the District's ~~Web~~web site. Offerors should frequently check the District's Web site until Closing, i.e., at least once weekly until the week of Closing and at least once daily the week of the Closing."

(3) Timelines; Extensions.

(a) The District ~~must~~shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The District may extend the Closing if the District determines that prospective Offerors need additional time to review and respond to Addenda. Except to the extent justified by a countervailing public interest, the District ~~must~~shall not issue Addenda less than 72 hours before the Closing unless the Addendum also extends the Closing.

(b) Notwithstanding ~~Section~~subsection (3)(a) of this ~~Rule~~rule, an Addendum that modifies the evaluation criteria, selection process, or procedure for any step or ~~phase~~tier of competition under a ~~Multi-Step Sealed Bidding or Multi-Step Sealed~~multistep sealed bidding or multistep sealed Proposals process issued in accordance with PPS 47-0257 or 47-0261 ~~must~~shall be issued no fewer than five ~~Days~~days before the beginning of that tier or step ~~or phase of~~of competition, unless the District determines that a shorter period is sufficient to allow ~~the~~ Offerors to prepare for that tier or step ~~or phase~~ of competition. The District ~~must~~shall document the factors it considered in making that determination, which may include, without limitation, the scope of the changes to the Solicitation Document, the location of the remaining eligible Proposers, or whether shortening the period between issuing an Addendum and the beginning of the next tier or step ~~or phase~~ of competition favors or disfavors any particular Proposer or Proposers.

(4) Request for Change or Protest. Unless a different deadline is set forth in the Addendum, an Offeror may submit a ~~Written~~written request for change or protest to the Addendum, as provided in PPS 47-0730, by the close of the District's next business ~~Day~~day after issuance of the Addendum, or up to the last ~~Day~~day allowed to submit a request for change or protest of the ~~solicitation~~Solicitation under PPS 47-0730, whichever date is later. If the date established in the previous sentence falls after the deadline for receiving protests to the Solicitation Document in accordance with PPS 47-0730, then the District may consider an Offeror's request for change or protest to the Addendum only, and the District shall not consider a request for change or protest to matters not added or modified by the Addendum. Notwithstanding any provision of this ~~Section~~section (4) of this ~~Rule~~rule, the District is not required to provide a protest period for Addenda issued after ~~the~~ initial Closing during a ~~Multi-Tiered or Multi-Step Procurement~~multi-tiered or multistep procurement process conducted pursuant to ORS 279B.055 or 279B.060.

PPS 47-0440 Pre-Closing Modification or Withdrawal of Offers

(1) Modifications. An Offeror may modify its Offer in ~~Writing~~writing prior to the Closing. An Offeror ~~must~~shall prepare and submit any modification to its Offer to the District in accordance with PPS 47-0400 and PPS 47-0410, unless otherwise specified in the Solicitation Document. Any modification ~~must~~shall include the Offeror's statement that the modification amends and supersedes the prior Offer. The Offeror ~~must~~shall mark the submitted modification as follows:

(a) Bid (or ~~Proposal~~proposal) Modification; and

(b) Solicitation Document Number (or other identification as specified in the Solicitation Document).

(2) Withdrawals.

(a) An Offeror may withdraw its Offer by ~~Written~~written notice submitted on the Offeror's letterhead, ~~Signed~~signed by an authorized representative of the Offeror, delivered to the individual and location specified in the Solicitation Document (or the place of Closing if no location is specified), and received by the District prior to the Closing. The Offeror or authorized representative of the Offeror may also withdraw its Offer in person prior to the Closing upon presentation of appropriate identification and evidence of authority satisfactory to the District.

(b) The District may release an unopened Offer withdrawn under ~~Section~~section (2)(a) of this ~~Rule~~rule to the Offeror or its authorized representative, after voiding any date and ~~time stamp~~time stamp mark.

(c) The Offeror ~~must~~shall mark the ~~Written~~written request to withdraw an Offer as follows:

(A) Bid (or ~~Proposal~~proposal) Withdrawal; and

(B) Solicitation Document Number (or ~~other identification~~Other Identification as specified in the Solicitation Document).

(3) Documentation. The District ~~must~~shall include all documents relating to the modification or withdrawal of Offers in the appropriate ~~Procurement File~~Solicitation file.

PPS 47-0450 Receipt, Opening, and Recording of Offers; Confidentiality of Offers

(1) Receipt. The District ~~must~~shall electronically or mechanically time-stamp or hand-mark each Offer and any modification upon receipt. The District ~~must~~shall not open the Offer or modification upon receipt, but ~~must~~shall maintain it as confidential and secure until Opening. If the District inadvertently opens an Offer or a modification prior to the Opening, the District ~~must~~shall return the Offer or modification to its secure and confidential state until Opening. The District ~~must~~shall document the resealing for the ~~Procurement File~~Solicitation file (e.g., "District inadvertently opened the Offer due to improper identification of the Offer.").

(2) Opening and Recording. The District ~~must~~shall publicly open Offers including any modifications made to the Offer pursuant to PPS 47-0440(1). In the case of Invitations to Bid, to the extent practicable, the District ~~must~~shall read aloud the name of each ~~Bidder~~bidder and such other information as the District considers appropriate. However, the District may withhold from disclosure information marked by the Offeror as "confidential" or a "trade secret" in accordance with ORS 279B.055(5)(c) and 279B.060(6). In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, the District will not read Offers aloud.

PPS 47-0460 Late Offers, Late Withdrawals, and Late Modifications

Any Offer received after Closing is late. An Offeror's request for withdrawal or modification of an Offer received after Closing is late. The District ~~must~~shall not consider late Offers, withdrawals, or modifications except as permitted in PPS 47-0470 or 47-0261.

PPS 47-0470 Mistakes

(1) ~~General~~Generally. To protect the integrity of the ~~Competitive Procurement~~competitive procurement process and to ensure fair treatment of Offerors, the District should carefully consider whether to permit waiver, correction, or withdrawal of Offers for certain mistakes.

(2) District Treatment of Mistakes. The District ~~must~~shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If the District discovers certain mistakes in an Offer after Opening but before the ~~Award~~award of the Contract, the District may take the following action:

(a) The District may waive, or permit an Offeror to correct, a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the Offer, or an insignificant mistake that can be waived or corrected without prejudice to other Offerors. Examples of minor informalities include an Offeror's failure to:

(A) Return the correct number of ~~Signed~~signed Offers or the correct number of other documents required by the Solicitation Document;

(B) Sign the Offer in the designated block, provided a ~~Signature~~signature appears elsewhere in the Offer evidencing an intent to be bound; and

(C) Acknowledge receipt of an Addendum to the Solicitation Document, provided~~:~~ that it is clear on the face of the Offer that the Offeror received the Addendum and intended to be bound by its terms; or the Addendum involved did not affect price, quality, or delivery.

~~**(b)**~~ The District may correct a clerical error if the error is evident on the face of the Offer, or other documents submitted with the Offer, and the Offeror confirms the District's correction in ~~Writing~~writing. A clerical error is an Offeror's error in transcribing its Offer. Examples include typographical mistakes, errors in extending unit prices, transposition errors, arithmetical errors, instances in which the intended correct unit or amount is evident by simple arithmetic calculations (for example, a missing unit price may be established by

dividing the total price for the units by the quantity of units for that item, or missing or incorrect total price for an item may be established by multiplying the unit price by the quantity when those figures are available in the Offer). Unit prices ~~will~~shall prevail over extended prices in the event of a discrepancy between extended prices and unit prices.

(a) ~~**(c)**~~ The District may permit an Offeror to withdraw an Offer based on one or more clerical errors in the Offer only if the Offeror shows with objective proof and by clear and convincing evidence:

(A) The nature of the error;

(B) That the error is not a minor informality under this ~~section~~subsection or an error in judgment;

(C) That the error cannot be corrected or waived under ~~Section~~subsection (b) of this ~~Rule~~section;

(D) That the Offeror acted in good faith in submitting an Offer that contained the claimed error and in claiming that the alleged error in the Offer exists;

(E) That the Offeror acted without gross negligence in submitting an Offer that contained a claimed error;

(F) That the Offeror will suffer substantial detriment if the District does not grant the Offeror permission to withdraw the Offer;

(G) That the District's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the District or the public it represents; and

(H) That the Offeror promptly gave notice of the claimed error to the District.

(b) ~~**(d)**~~ The criteria in ~~Section~~subsection (2)(c) of this ~~Rule must~~rule shall determine whether the District will permit an Offeror to withdraw its Offer after Closing. These criteria ~~also must~~shall apply to the question of whether the District ~~will~~shall permit an Offeror to withdraw its Offer without forfeiture of its ~~Bid~~bid bond (or ~~Proposal~~other bid or proposal security), or without liability to the District based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually ~~Awarded~~awarded by the District, whether by ~~Award~~award to the next lowest Responsive and Responsible ~~Bidder~~bidder, the most advantageous Responsive and Responsible Proposer, or by resort to a new solicitation.

(3) Rejection for Mistakes. The District ~~must~~shall reject any Offer in which a mistake is evident on the face of the Offer and the intended correct Offer is not evident or cannot be substantiated from documents accompanying the Offer.

(4) Identification of Mistakes ~~After~~after Award. The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake. Following ~~Award~~award, an Offeror is bound by its Offer, and may ~~only~~ withdraw its Offer or rescind a Contract entered into pursuant to this ~~Division~~division 47 only to the extent permitted by applicable law.

PPS 47-0480 Time for District Acceptance

An Offeror's Offer is a Firm Offer, irrevocable, valid, and binding on the Offeror for not less than ~~60 Days~~thirty (30) days following Closing unless otherwise specified in the Solicitation Document.

PPS 47-0490 Extension of Time for Acceptance of Offer

The District may request, orally or in ~~Writing~~writing, that Offerors extend, in ~~Writing~~writing, the time during which the District may consider their Offer(s). If an Offeror agrees to such extension, the Offer ~~must~~shall continue as a Firm Offer, irrevocable, valid, and binding on the Offeror for the agreed-upon extension period.

QUALIFICATIONS AND DUTIES

PPS 47-0500 Responsibility of ~~Offerors~~Bidders and Proposers

(1) Determination. Before ~~Awarding~~awarding a Contract, the District ~~must~~shall determine that the ~~Offeror~~bidder submitting the lowest ~~Bid or Proposal or~~bid or Proposer submitting the most advantageous ~~Offer~~proposal is Responsible. The District ~~must~~shall use the standards set forth in ORS 279B.110 and PPS 47-0640(1)(c)(F) to determine if an Offeror is Responsible. In the event the District determines ~~an Offeror~~a bidder or Proposer is not Responsible, it ~~must~~shall prepare a ~~Written~~written determination of non-Responsibility as required by ORS 279B.110 and ~~must~~shall reject the Offer.

PPS 47-0525 Qualified Products Lists

(1) Authority. The District may develop and maintain a qualified products list pursuant to ORS 279B.115 in instances in which the testing or examination of ~~Goods~~goods before initiating a ~~Procurement~~procurement is necessary or desirable in order to best satisfy the requirements of the District. For purposes of this section, "~~Goods~~goods" includes products that have associated or incidental service components, such as supplier warranty obligations or maintenance service programs.

(2) Notice. In the initial development of any qualified products list, the District shall give public notice, in accordance with PPS 47-0300, of the opportunity for potential Contractors, sellers, or suppliers to submit ~~Goods~~goods for testing and examination to determine their acceptability for inclusion on the list, and may solicit in ~~Writing~~writing representative groups of potential Contractors, sellers, or suppliers to submit ~~Goods~~goods for the testing and examination. Any potential Contractor, seller, or supplier, even though not solicited, may offer its ~~Goods~~goods for consideration.

(3) Inclusion to Be Based on Tests or Examinations. The District's inclusion of ~~Goods~~goods on a qualified products list shall be based on the results of tests or examinations. Notwithstanding any provision of ORS 192.410 through 192.505, the District may make the test or examination results public in a manner that protects the identity of the potential Contractor, seller, or supplier that offered the ~~Goods~~goods for testing or examination, including by using only numerical designations. Notwithstanding any provision of ORS 192.410 through 192.505, the District may keep confidential trade secrets, test data, and similar information provided by a potential Contractor, seller, or supplier if so requested in ~~Writing~~writing by the potential Contractor, seller, or supplier.

(4) List Does Not Constitute Prequalification. The inclusion of ~~Goods~~goods on a qualified products list does not constitute and may not be construed as a prequalification under ORS 279B.120 and 279B.125 of any prospective Contractor, seller, or supplier of ~~Goods~~goods on the qualified products list.

PPS 47-0550 Prequalification of Prospective Offerors; Pre-Negotiation of Contract Terms and Conditions

(1) Prequalification of Prospective Offerors. Pursuant to ORS 279B.120 and 279B.125, the District may prequalify prospective ~~Bidders~~bidders or Proposers to submit Bids or Proposals for Public Contracts to provide particular types of ~~Goods~~goods or ~~Services~~services.

(2) Notice of Prequalification. The District shall, in response to the receipt of a prequalification application submitted under ~~Section~~section (1) of this ~~Rule~~rule, notify the prospective ~~Bidder~~bidder or Proposer whether the prospective ~~Bidder~~bidder or Proposer is qualified based on the standards of responsibility listed in ~~Section~~section (7), the type and nature of Contracts that the prospective ~~Bidder~~bidder or Proposer is qualified to compete for and the time period for which the prequalification is valid. If the District does not prequalify a prospective ~~Bidder~~bidder or Proposer as to any Contracts covered by the prequalification process, the notice ~~must~~shall specify which of the standards of responsibility listed in ~~Section~~section (7) the prospective ~~Bidder~~bidder or Proposer failed to meet. Unless the reasons are specified, the prospective ~~Bidder~~bidder or Proposer shall be deemed to have been prequalified in accordance with the application.

(3) Revocation of Prequalification. If the District subsequently discovers that a prospective ~~Bidder~~bidder or Proposer that prequalified under Sections (1) and (2) of this ~~Rule~~rule is no longer qualified, the District may revoke the prequalification upon reasonable notice to the prospective ~~Bidder~~bidder or Proposer, except that a revocation is invalid as to any Contract for which an advertisement for Bids or Proposals has already been issued. Notwithstanding this prohibition against revocation of prequalification, the District may determine that a prequalified Offeror is not Responsible prior to Contract ~~Award~~award.

(4) Application. When the District permits or requires prequalification of ~~Bidders~~bidders or Proposers, a prospective ~~Bidder~~bidder or Proposer who wishes to prequalify shall submit a prequalification application to the District on a form prescribed by the District. Upon receipt of a prequalification application, the District shall investigate the prospective ~~Bidder~~bidder or Proposer as necessary to determine whether the prospective ~~Bidder~~bidder or Proposer is qualified. The determination shall be made in less than 30 ~~Days~~days, if practicable, if the prospective ~~Bidder~~bidder or Proposer requests an early decision to allow the prospective ~~Bidder~~bidder or Proposer as much time as possible to prepare a ~~Bid or Proposal~~bid or proposal for a Contract that has been advertised. In making its determination, the District shall consider only the applicable standards of responsibility listed in ~~Section~~section (7). The District shall promptly notify the prospective ~~Bidder~~bidder or Proposer whether the prospective ~~Bidder~~bidder or Proposer is qualified.

(5) Contents of Notice. If the District finds that a prospective ~~Bidder~~bidder or Proposer is qualified, the notice ~~must~~shall state the type and nature of Contracts that the prospective ~~Bidder~~bidder or Proposer is qualified to compete for and the period of time for which the prequalification is valid. If the District finds that the prospective ~~Bidder~~bidder or Proposer is not qualified as to any Contracts covered by the ~~Rule~~rule, resolution, ordinance, or other regulation, the notice ~~must~~shall specify the reasons given under ~~Section~~section (7) below. To be entitled to a hearing under PPS 47-0760, a prospective ~~Bidder~~bidder or Proposer shall, within three business ~~Days~~days after receipt of the notice, notify the District that the prospective ~~Bidder~~bidder or Proposer demands a hearing under PPS 47-0760.

(6) Revocation or Reissuance Process. If the District has reasonable cause to believe that there has been a substantial change in the conditions of a prequalified prospective ~~Bidder~~bidder or Proposer and that the prospective ~~Bidder~~bidder or Proposer is no longer qualified or is less qualified, the District may revoke or may revise and reissue the prequalification after reasonable notice to the prequalified prospective ~~Bidder~~bidder or Proposer. The notice ~~must~~shall specify the reasons given under ~~Section~~section (2) for revocation or revision of the prequalification of the prospective ~~Bidder~~bidder or Proposer and inform the prospective ~~Bidder~~bidder or Proposer of the right to a hearing under PPS 47-0760. To be entitled to a hearing under PPS 47-0760, a prospective ~~Bidder~~bidder or Proposer shall, within three business ~~Days~~days after receipt of the notice, notify the District that the prospective ~~Bidder~~bidder or Proposer demands a hearing under PPS 47-0760. A revocation or revision does not apply to any Contract for which an advertisement for Bids or Proposals was issued before the date the notice of revocation or revision was received by the prequalified prospective ~~Bidder~~bidder or Proposer.

(7) Standards of Responsibility. In determining whether a ~~Bidder~~bidder or Proposer has met the standards of responsibility pursuant to ORS 279B.110(2), the District shall consider whether a ~~Bidder~~bidder or Proposer has:

(a) Available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or ability to obtain the resources and expertise, necessary to indicate the capability of the ~~Bidder~~bidder or Proposer to meet all contractual responsibilities;

(b) A satisfactory record of performance. The District shall document the record of performance of a ~~Bidder~~bidder or Proposer if the District finds the ~~Bidder~~bidder or Proposer non-responsible under this section;

(c) A satisfactory record of integrity. The District shall document the record of integrity of a ~~Bidder~~bidder or Proposer if the District finds the ~~Bidder~~bidder or Proposer non-responsible under this section;

(d) Qualified legally to contract with the District;

(e) Supplied all necessary information in connection with the inquiry concerning responsibility. If a ~~Bidder~~bidder or Proposer fails to promptly supply information requested by the District concerning responsibility, the District shall base the determination of responsibility on any available information or may find the ~~Bidder~~bidder or Proposer non-responsible; and

(f) Not been ~~debarred~~Debarred by the District under PPS 47-0575.

(8) Pre-Negotiation. The District may pre-negotiate some or all Contract terms and conditions including prospective Proposer Contract forms such as license agreements, maintenance and support agreements, or similar documents for use in future ~~Procurements~~procurements. Such pre-negotiation of Contract terms and conditions (including prospective Proposer forms) may be part of the prequalification process of a Proposer in ~~Section~~section 1 or the pre-negotiation may be a separate process and not part of the prequalification process. Unless required as part of the prequalification process, the failure of the District and the prospective Proposer to reach agreement on pre-negotiated Contract terms and conditions does not prohibit the prospective Proposer from responding to ~~Procurements~~procurements. The District may agree to different pre-negotiated Contract terms and conditions with different prospective Proposers. When the District has pre-negotiated different terms and conditions with Proposers or, when permitted, Proposers offer different terms and conditions, the District may consider the terms and conditions in the ~~Proposal~~proposal evaluation process.

PPS 47-0560 Request for Qualifications ("RFQ")

For purposes of this section, an RFQ may be used without the RFQ constituting a prequalification pursuant to PPS 47-0550, if the District establishes the RFQ to determine whether competition exists to perform the needed ~~Services~~services or to establish a nonbinding, open list of qualified Contractors in addition to the general public and in order to expand the pool of qualified Contractors, prior to issuing an RFP. If the District establishes a closed, exclusive, or binding list of qualified Contractors, then the District ~~must~~shall comply with ~~Section~~section (1) of this ~~Rule~~rule. The District is not required to issue an RFQ and may elect to forego using an RFQ before issuing an RFP.

(1) Content of RFQ. At a minimum, the RFQ ~~must~~shall describe the particular specialty desired, the qualifications the Contractor(s) ~~must~~shall have in order to be considered, and the evaluation factors and their relative importance. The RFQ may require information including, but not limited to: the Contractor's particular capability to perform the required ~~Services~~services; the number of experienced staff available to perform the required ~~Services~~services, including specific qualifications and experience of personnel; a list of similar services the Contractor has completed, with references concerning past performance; and any other information deemed necessary by the District to evaluate Contractor qualifications. All RFQs ~~must~~shall:

(a) Be in ~~Writing~~writing;

(b) Provide that the District may, at any time during the ~~solicitation~~Solicitation process, reject any or all Proposals or cancel the ~~solicitation~~Solicitation without liability if it is in the public interest to do so; and

(c) Provide that the District is not responsible for any costs of any Proposers incurred while submitting Proposals, and that all Proposers who respond to solicitations do so solely at their own expense, unless compensation is expressly provided for in the Solicitation Document.

(2) Pre-Submission Meeting. A qualifications pre-submission meeting, voluntary or mandatory, may be held for all interested Contractors to discuss the proposed ~~Services~~services. The RFQ ~~must~~shall include the date, time, and place of the meeting(s).

(3) Notice and Opportunity to Submit RFQ. Unless the RFQ establishes that competition does not exist or unless the ~~solicitation~~Solicitation process is canceled or all qualification statements are rejected, all respondents who met the published qualifications ~~must~~shall receive a notice, or other materials as appropriate, in addition to the general public, of any required ~~Services~~services and have an opportunity to submit a ~~Proposal~~proposal in response to the District's subsequent RFP.

PPS 47-0575 Debarment of Prospective Offerors

(1) Generally. The District may ~~debar~~Debar prospective Offerors for the reasons of discriminating against a subcontractor in the ~~Awarding~~awarding of a Contract because the subcontractor is a minority, women or emerging small business enterprise, a disadvantage business enterprise or a veteran-owned business as set forth in ORS 279A.110, or after providing notice and the opportunity for hearing as set forth in Sections (5)-(8).

(2) Responsibility. Notwithstanding the limitation on the term for ~~debarment~~Debarment in ORS 279B.130(1)(b), the District may determine that a previously ~~debarred~~Debarred Offeror is not Responsible prior to Contract ~~Award~~award.

(3) Imputed Knowledge. The District may attribute improper conduct of a Person or their affiliate or affiliates having a ~~Contract~~contract with a prospective Offeror to the prospective Offeror for purposes of ~~debarment~~Debarment where the impropriety occurred in connection with the Person's duty for or on behalf of, or with the knowledge, approval, or acquiescence of, the prospective Offeror.

(4) Limited Participation. The District may allow a ~~debarred~~Debarred Person to participate in solicitations and Contracts on a limited basis during the ~~debarment~~Debarment period upon ~~Written~~written determination that participation is advantageous to the District. The determination ~~must~~shall specify the factors on which it is based and define the extent of the limits imposed.

(5) Debarment Process. The District may ~~debar~~Debar a prospective ~~Bidder~~bidder or Proposer from consideration for ~~Award~~award of the District's Contracts for the reasons listed in ~~Section~~section (6) of this ~~Rule~~rule after providing the prospective ~~Bidder~~bidder or Proposer with notice and a reasonable opportunity to be heard.

(a) The District may not ~~debar~~Debar a prospective ~~Bidder~~bidder or Proposer under this section for more than three years.

(6) Reasons for Debarment. A prospective ~~Bidder~~bidder or Proposer may be ~~debarred~~Debarred from consideration for ~~Award~~award of the District's Contracts if:

(a) The prospective ~~Bidder~~bidder or Proposer has been convicted of a criminal offense as an incident in obtaining or attempting to obtain a public or private contract or subcontract or in the performance of a public or private contract or subcontract.

(b) The prospective ~~Bidder~~bidder or Proposer has been convicted under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty that currently, seriously, and directly affects the prospective ~~Bidder's~~bidder's or Proposer's responsibility as a Contractor.

(c) The prospective ~~Bidder~~bidder or Proposer has been convicted under state or federal antitrust statutes.

(d) The prospective ~~Bidder~~bidder or Proposer has committed a violation of a Contract provision that is regarded by the District or the Construction Contractors Board to be so serious as to justify disqualification. A violation may include, but is not limited to, a failure to perform the terms of a Contract or an unsatisfactory performance in accordance with the terms of the Contract. However, a failure to perform or an unsatisfactory performance caused by acts beyond the control of the Contractor may not be considered to be a basis for ~~debarment~~Debarment.

(e) The prospective ~~Bidder~~bidder or Proposer does not carry workers' compensation or unemployment insurance as required by statute.

(7) Written Debarment Decision Required. The District shall issue a ~~Written~~written decision to ~~debar~~Debar a prospective ~~Bidder~~bidder or Proposer under this section. The decision ~~must~~shall:

(a) State the reasons for the action taken;

(b) Inform the ~~debarred~~Debarred prospective ~~Bidder~~bidder or Proposer of the appeal rights of the prospective ~~Bidder~~bidder or Proposer under PPS 47-0760; and

(c) Be mailed or otherwise furnished immediately to the ~~debarred~~Debarred prospective ~~Bidder~~bidder or Proposer.

(8) A prospective ~~Bidder~~bidder or Proposer that wishes to appeal ~~debarment~~Debarment shall, within three business ~~Days~~days after receipt of notice of ~~debarment~~Debarment, notify the District that the prospective ~~Bidder~~bidder or Proposer appeals the ~~debarment~~Debarment as provided in PPS 47-0760.

OFFER EVALUATION AND AWARD

PPS 47-0600 Offer Evaluation and ~~Award~~award

(1) District Evaluation. The District ~~must~~shall evaluate Offers only as set forth in the Solicitation Document pursuant to ORS 279B.055(6)(a) and 279B.060(6)(b) based on the requirements set forth in the ITB or RFP, and in accordance with applicable law. The District ~~must~~shall not evaluate Offers using any other requirement or criterion.

(a) Evaluation of Bids.

(A) Nonresident ~~Bidders~~bidders: In determining the lowest Responsive Bid, the District ~~must~~shall apply the reciprocal preference set forth in ORS 279A.120(2)(b) and PPS 46-0310 for nonresident ~~Bidders~~bidders.

(B) Public Printing: The District ~~must~~shall, for the purpose of evaluating Bids, apply the public printing preference set forth in ORS 282.210 (printing shall be performed within the state).

(C) Award When Bids are Identical: If the District determines that one or more Bids are identical under PPS 46-0300, the District ~~must Award~~shall award a Contract in accordance with the procedures set forth in PPS 46-0300.

(b) Evaluation of Proposals.

(A) Award When Proposals are Identical: If the District determines that one or more Proposals are identical under PPS 46-0300, the District ~~must Award~~shall award a Contract in accordance with the procedures set forth in PPS 46-0300.

(B) Public Printing: The District ~~must~~shall, for the purpose of evaluating Proposals, apply the public printing preference set forth in ORS 282.210 (printing shall be performed within the state).

(c) Recycled Materials. When procuring ~~Goods~~goods, the District shall give preference for Recycled Materials as set forth in ORS 279A.125 if:

(A) The Recycled Product is available;

(B) The Recycled Product meets applicable standards:

(C) The Recycled Product can be substituted for a comparable non-recycled product; and

(D) The Recycled Product's costs do not exceed the costs of non-recycled products by more than 5 percent, or a higher percentage if the District makes a ~~Written~~written determination.

(2) Clarification of Bids or Proposals. After ~~the~~ Opening, the District may conduct discussions with apparent Responsive Offerors for the purpose of clarification to assure full understanding of the Bids or Proposals. All Bids or Proposals, in the District's sole discretion, needing clarification ~~must be afforded~~shall be accorded such an opportunity. The District ~~must~~shall document clarification of any Offeror's ~~Bid~~bid or ~~Proposal~~proposal in the ~~Procurement File~~Solicitation file.

(3) Negotiations.

(a) Bids. The District shall not negotiate with any ~~Bidder~~bidder. After ~~Award~~award of the Contract, the District and Contractor may only modify the Contract in accordance with PPS 47-0800.

(b) Requests for Proposals. The District may only conduct discussions or negotiate with Proposers in accordance with ORS 279B.060(6)(b) and PPS 47-0261. After ~~Award~~award of the Contract, the District and Contractor may only modify the Contract in accordance with PPS 47-0800.

(4) ~~Award~~award.

(a) General. If ~~Awarded~~awarded, the District ~~must Award~~shall award the Contract to the Responsible ~~Bidder~~bidder submitting the lowest Responsive Bid or the Responsible Proposer submitting the most ~~advantageous~~Advantageous Responsive ~~Proposal~~proposal. The District may ~~Award~~award by item, groups of items, or the entire Offer, provided such ~~Award~~award is consistent with the Solicitation Document and in the public interest.

(b) Multiple Items. An Invitation to Bid or Request for ~~Proposals~~proposal may call for pricing of multiple items of similar or related type with ~~the Award~~award based on individual line item, group total of certain items, a "market basket" of items representative of the District's expected purchases, or grand total of all items.

(c) Multiple ~~Awards~~awards—Bids.

(A) Notwithstanding ~~Section~~subsection (4)(a) of this ~~Rule~~rule, the District may ~~Award~~award multiple Contracts under an Invitation to Bid in accordance with the criteria set forth in the Invitation to Bid. ~~A multiple Award may be made if the Award to two or more Bidders is beneficial for~~Multiple awards shall not be made if a single award will meet the District's needs, including but not limited to adequate availability, delivery, service, ~~competition, pricing, product capabilities, or other factors deemed significant by the District. Multiple Awards may not be allowed~~or product compatibility and skills. A multiple award may be made if award to two or more bidders of similar goods or services is necessary for adequate availability, delivery, service or product compatibility and skills. Multiple awards may not be made for purpose of dividing the procurement into multiple solicitations, or to allow for user preference unrelated to utility or economy. A notice to prospective ~~Bidders~~bidders that multiple Contracts may be ~~Awarded~~awarded for any Invitation to Bid shall not preclude the District from ~~Awarding~~awarding a single Contract for such Invitation to Bid.

(B) If an Invitation to Bid permits the ~~Award~~award of multiple Contracts, the District ~~must~~shall specify in the Invitation to Bid the criteria it will use to choose from the multiple Contracts when purchasing ~~Goods~~goods or ~~Services~~services.

(d) Multiple ~~Awards~~awards—Proposals.

(A) Notwithstanding ~~Section~~subsection (4)(a) of this ~~Rule~~rule, the District may ~~Award~~award multiple Contracts under a Request for ~~Proposals~~proposal in accordance with the criteria set forth in the Request for ~~Proposals. A multiple Award may be made if the Award to two or more Proposers is beneficial for~~proposal. Multiple awards shall not be made if a single award will meet the District's needs, including but not limited to adequate availability, delivery, service, ~~competition, pricing, product capabilities, or other factors deemed significant by the District. Multiple Awards may not be allowed~~or product compatibility. A multiple award may be made if award to two or more Proposers of similar goods or services is necessary for adequate availability, delivery, service or product compatibility and skills. Multiple awards may not be made for purpose of dividing the procurement into multiple solicitations, or to allow for user preference unrelated to ~~utility or economy.~~obtaining the most Advantageous Contract. A notice to prospective Proposers that multiple Contracts may be ~~Awarded~~awarded for any Request for ~~Proposals must~~proposal shall not preclude the District from ~~Awarding~~awarding a single Contract for such Request for ~~Proposals~~proposal.

(B) If a Request for ~~Proposals~~proposal permits the ~~Award~~award of multiple Contracts, the District ~~must~~shall specify in the Request for ~~Proposals~~proposal the criteria it will use to choose from the multiple Contracts when purchasing ~~Goods~~goods or ~~Services~~services, which may include consideration and evaluation of the Contract terms and conditions agreed to by the Contractors.

(e) Partial ~~Awards~~awards. If after evaluation of Offers the District determines that an acceptable Offer has been received for only parts of the requirements of the Solicitation Document:

(A) The District may ~~Award~~award a Contract for the parts of the Solicitation Document for which acceptable Offers have been received; or

(B) The District may reject all Offers and may issue a new Solicitation Document on the same or revised terms, conditions, and ~~Specifications~~specifications.

(f) ~~All-or-None~~All or None Offers. The District may ~~Award all-or-none~~award all or none Offers if the evaluation shows an all-or-none ~~Award~~award to be the lowest cost for Bids or the most ~~advantageous~~Advantageous for Proposals of those submitted.

PPS 47-0610 Notice of Intent to Award

(1) Notice of Intent to ~~Award~~award. The District ~~must provide Written notice to all Offerors of its Intent to Award~~shall provide written notice of its intent to award to all bidders and Proposers pursuant to ORS 279B.135 at least seven ~~Days~~(7) days before the ~~Award~~award of a Contract, unless the District determines that circumstances justify prompt execution of the Contract, in which case the District may provide a shorter notice period. The District ~~must~~shall document the specific reasons for the shorter notice period in the ~~Procurement File. This section does not apply to a Contract Awarded as a Small Procurement, an Intermediate Procurement, a sole-source Procurement, an Emergency Procurement, or a Special Procurement~~Solicitation file.

(2) Finality. The District's ~~Award will~~award shall not be final until the later of the following:

(a) The expiration of the protest period provided pursuant to PPS 47-0740; or

(b) The District provides ~~Written~~written responses to all ~~timely filed~~timely-filed protests denying the protests and affirming the ~~Award~~award.

PPS 47-0620 Documentation of Award

(1) Basis of ~~Award~~award. After ~~Award~~award, the District ~~must~~shall make a record showing the basis for determining the successful Offeror as part of the District's ~~Procurement File~~Solicitation file.

(2) Contents of ~~Award~~award Record. The District's record ~~must~~shall include:

(a) For Bids.

(A) Bids;

(B) Completed ~~Bid~~bid tabulation sheet; and

(C) Written justification for any rejection of lower Bids.

(b) For Proposals.

(A) Proposals;

(B) The completed evaluation of the Proposals;

(C) Written justification for any rejection of higher-scoring Proposals; and

(D) If the District engaged in any of the methods of Contractor selection described in ORS 279B.060(6)(b) and PPS 47-0261, ~~Written~~written documentation of the content of any discussions, negotiations, best and final Offers, or any other procedures the District used to select a Proposer to which the District ~~Awarded~~awarded a Contract.

PPS 47-0630 Availability of Award Decisions

(1) Contract Documents. To the extent required by the Solicitation Document, the District ~~must~~shall deliver to the successful Offeror a Contract, a ~~Signed Purchase Order~~signed purchase order, Price Agreement, or other Contract ~~Documents~~documents as applicable.

(2) Availability of Award Decisions. A Person may obtain tabulations of ~~Awarded~~awarded Bids or evaluation summaries of Proposals for a minimal charge in person or by submitting to the District a ~~Written~~written request accompanied by payment. The requesting Person ~~must~~shall provide the Solicitation Document number and enclose a self-addressed, stamped envelope.

(3) Availability of ~~Procurement~~Solicitation Files. After notice of ~~Intent~~intent to ~~Award~~award, the District ~~must~~shall make ~~Procurement Files~~Solicitation files available in accordance with applicable law.

PPS 47-0640 Rejection of an Offer

(1) Rejection.

(a) Any solicitation or ~~Procurement~~procurement described in a solicitation may be canceled, or any or all Bids or Proposals may be rejected in whole or in part, when the cancellation or rejection is in the best interest of the District as determined by the District. The reasons for the cancellation or rejection ~~must~~shall be made part of the ~~Procurement File~~Solicitation file. The District is not liable to any ~~Bidder~~bidder or Proposer for any loss or expense caused by or resulting from the cancellation or rejection of a solicitation, ~~Bid, Proposal~~bid, proposal, or ~~Award~~award. ORS 279B.100.

(b) The District ~~must~~shall reject an Offer upon the District's ~~Finding~~finding that the Offer:

(A) Is contingent on the District's acceptance of terms and conditions (including ~~Specifications~~specifications) that differ from the Solicitation Document;

(B) Takes exception to terms and conditions (including ~~Specifications~~specifications) set forth in the Solicitation Document;

(C) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of the Solicitation Document or in contravention of applicable law;

(D) Offers ~~Goods and Services~~goods or services that fail to meet the ~~Specifications~~specifications of the Solicitation Document;

(E) Is late;

(F) Is not in substantial compliance with the Solicitation Document; or

(G) Is not in substantial compliance with all prescribed public ~~Procurement~~procurement procedures.

(c) The District ~~must~~shall reject an Offer upon the District's ~~Finding~~finding that the Offeror:

(A) Has not been prequalified under ORS 279B.120 and the District required mandatory prequalification;

(B) Has been ~~debarred~~Debarred or has been disqualified under PPS 46-0210(4) (Disqualification);

(C) Has not met the requirements of ORS 279A.105 (emerging small business), if required by the Solicitation Document;

(D) Has not submitted properly executed Bid or ~~Proposal~~proposal security as required by the Solicitation Document;

(E) Has failed to provide the certification of non-discrimination required under ORS 279A.110(4); or

(F) Is ~~Non-Responsible~~non-Responsible. Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before ~~Awarding~~awarding a Contract, the District ~~must~~shall have information that indicates that the Offeror meets the applicable standards of ~~responsibility~~Responsibility. To be a Responsible Offeror, the District ~~must~~shall determine under ORS 279B.110 that the Offeror:

(i) Has available the appropriate financial, material, equipment, facility and personnel resources, and expertise, or ability to obtain the resources and expertise, necessary to meet all contractual responsibilities;

(ii) Has completed previous contracts of a similar nature with a satisfactory record of performance. A satisfactory record of performance means that to the extent the costs associated with and time available to perform a previous contract were within the Offeror's control, the Offeror stayed within the time and budget allotted for the ~~Procurement~~procurement, and otherwise performed the contract in a satisfactory manner. The District should carefully scrutinize an Offeror's record of contract performance if the Offeror is or ~~has~~ recently has been materially deficient in contract performance. In reviewing the Offeror's performance, the District should determine whether the Offeror's deficient performance was expressly excused under the terms of the contract, or whether the Offeror took appropriate corrective action. The District may review the Offeror's performance on both private and ~~Public Contracts~~public contracts in determining the Offeror's record of contract performance. The District ~~must~~shall make its basis for determining an Offeror non-Responsible under this section part of the ~~Procurement File~~Solicitation file as required by ORS 279B.110(2)(b).

(iii) Has a satisfactory record of integrity. An Offeror may lack integrity if the District determines ~~that~~ the Offeror demonstrates a lack of business ethics, such as violation of

state environmental laws or false certifications made to the District. The District may find an Offeror non-Responsible based on the lack of integrity of any person having influence or control over the Offeror (such as a key employee of the Offeror that has the authority to significantly influence the Offeror's performance of the ~~contract~~Contract or a parent company, predecessor, or successor person). The standards for ~~debarment~~Debarment under ORS 279B.130 may be used to determine an Offeror's integrity. The District may find an Offeror ~~non-Responsible~~non-responsible based on previous convictions of offenses related to obtaining or attempting to obtain a contract or subcontract, or in connection with the Offeror's performance of a contract or subcontract. The District ~~must~~shall make its basis for determining that an Offeror is non-Responsible under this section part of the ~~Procurement File~~Solicitation file as required by ORS 279B.110(2)(c);

(iv) Is legally qualified to contract with the District;

(v) Has attested in ~~Writing~~writing that the Offeror complied with the tax laws of this state and of political subdivisions of this state; and

(vi) Has supplied all necessary information in connection with the inquiry concerning ~~responsibility~~Responsibility. If the Offeror fails to promptly supply information requested by the District concerning ~~responsibility~~Responsibility, the District ~~must~~shall base the determination of responsibility on any available information, or may find the Offeror non-Responsible.

(2) Required Tax Certification. For the purposes of subparagraph (1)(c)(F)(v) of this rule:

(A) The period for which the Offeror ~~must~~shall attest that it complied with the applicable tax laws ~~must~~shall extend no fewer than six years into the past from the date of the Closing.

(B) Tax laws include, but are not limited to, ORS 305.620, ORS ~~Chapters~~chapters 316, 317~~,~~ and 318, any tax provisions imposed by a political subdivision that apply to the Offeror or to the performance of the Contract, and any rules and regulations that implement or enforce those tax laws.

(C) ~~Contracting Agency~~The District may exercise discretion in determining whether a particular form of attesting to compliance with the tax laws is "credible and convenient" under ORS 279B.110(2)(e), taking into consideration the circumstances in which the attestation is made and the consequences of making a false attestation. Therefore, a Contracting Agency may accept forms of attestation that range from a notarized statement to a less formal document that records the Offeror's attestation. However, State Contracting Agencies may not accept the certificate of compliance with tax laws required by ORS 305.385 unless that certificate embraces, in addition to the tax laws described in ORS 305.380, the tax laws of political subdivisions.

(3) Form of Business Entity. For purposes of this ~~Rule~~rule, the District may investigate any Person submitting an Offer. The investigation may include that Person's officers, directors, owners, affiliates, or any other Person acquiring ownership of the Person to determine application of this ~~Rule~~rule or to apply the ~~debarment~~Debarment provisions of this ~~Rule~~rule.

PPS 47-0650 Rejection of All Offers

(1) Rejection. The District may reject all Offers when the rejection is in the best interest of the District as determined by the District. The reasons for the rejection ~~must~~shall be made part of the ~~Procurement File~~Solicitation file. The District is not liable to any ~~Bidder~~bidder or Proposer for any loss or expense caused by or resulting from the cancellation or rejection of a solicitation, ~~Bid, Proposal~~bid, proposal, or

~~Award~~award. ORS 279B.100. The District ~~must~~shall notify all Offerors of the rejection of all Offers, along with the reasons for rejection of all Offers.

(2) Criteria. The District may reject all Offers based on the following criteria:

(a) The content of or an error in the Solicitation Document or the ~~Procurement~~procurement process unnecessarily restricted competition for the Contract;

(b) The price, quality~~,~~ or performance presented by the Offerors are too costly or of insufficient quality to justify acceptance of any Offer;

(c) Misconduct, error, or ambiguous or misleading provisions in the Solicitation Document threaten the fairness and integrity of the competitive process;

(d) Causes other than legitimate market forces threaten the integrity of the competitive process. These causes may include, without limitation, those that tend to limit competition, such as restrictions on competition, collusion, corruption, unlawful anti-competitive conduct, and inadvertent or intentional errors in the Solicitation Document;

(e) The District cancels the ~~Procurement~~procurement or solicitation in accordance with PPS 47-0660; or

(f) Any other circumstance indicating that ~~Awarding~~awarding the Contract would not be in the public interest.

PPS 47-0660 Cancellation of Procurement or Solicitation

(1) Cancellation in the District Interest. The District may cancel a ~~Procurement~~procurement or solicitation when the cancelation is in the best interest of the District as determined by the District. The reasons for the cancellation ~~must~~shall be made part of the ~~Procurement File~~Solicitation file. The District is not liable to any ~~Bidder~~bidder or Proposer for any loss or expense caused by or resulting from the cancellation or rejection of a solicitation, ~~Bid, Proposal~~bid, proposal, or ~~Award~~award.

(2) Notice of Cancellation Before Opening. If the District cancels a ~~Procurement~~procurement or solicitation prior to Opening, the District ~~must~~shall provide ~~Written~~written notice of cancellation in the same manner that the District initially provided notice of the ~~solicitation~~Solicitation. Such notice of cancellation ~~must~~shall:

(a) Identify the Solicitation Document;

(b) Briefly explain the reason for cancellation; and

(c) If appropriate, explain that an opportunity will be given to compete on any re-solicitation.

(3) Notice of Cancellation After Opening. If the District cancels a ~~Procurement~~procurement or solicitation after Opening, the District ~~must~~shall provide ~~Written~~written notice of cancellation to all Offerors who submitted Offers.

PPS 47-0670 Disposition of Offers if Procurement or Solicitation ~~Cancelled~~Canceled

(1) Prior to Opening. If the District cancels a ~~Procurement~~procurement or solicitation prior to Opening, the District ~~must~~shall return all Offers it received to Offerors unopened, provided the ~~Offerors~~Offeror submitted ~~their Offers~~its Offer in a hard copy format with a clearly visible return address. If there is no return address on the envelope, the District ~~must~~shall open the Offer to determine the source and then return it to the Offeror. For Electronic Offers, the District ~~must~~shall delete the Offers from ~~ORPIN or other approved~~the Contracting Agency's Electronic ~~Procurement~~procurement System or information technology system.

(2) After Opening. If the District cancels a ~~Procurement~~procurement or solicitation after Opening, the District:

(a) May return Proposals in accordance with ORS 279B.060(6)(c); and

(b) ~~Must~~Shall keep ~~a list of all Offers received~~Bids in the ~~Procurement File~~Solicitation file.

(3) Rejection of All Offers. If the District rejects all Offers, the District ~~must~~shall keep all Proposals and Bids in the ~~Procurement File~~Solicitation file.

LEGAL REMEDIES

PPS 47-0700 Protests and Judicial Review of Special ~~Procurements~~procurements

(1) Purpose. An ~~affected~~Affected Person may protest the approval of a Special ~~Procurement~~procurement. Pursuant to ORS 279B.400(1), before seeking judicial review of the approval of a Special ~~Procurement, an affected~~procurement, an Affected Person ~~must~~shall file a ~~Written~~written protest with the Superintendent and exhaust all administrative remedies.

(2) Delivery. Notwithstanding the requirements for filing a writ of review under ORS ~~Chapter~~chapter 34 pursuant to ORS 279B.400(4)(a), an ~~affected~~Affected Person ~~must~~shall deliver a ~~Written~~written protest to the District within seven ~~Days~~(7) days after the first date of public notice of the approval of a Special ~~Procurement~~procurement by the District, unless a different protest period is provided in the public notice of the approval of a Special ~~Procurement~~procurement.

(3) Content of Protest. The ~~Written~~written protest ~~must~~shall include:

(a) A detailed statement of the legal and factual grounds for the protest;

(b) A description of the resulting harm to the ~~affected~~Affected Person; and

(c) The relief requested.

(4) Contract Review Board Response. The Contract Review Board shall not consider an ~~affected~~Affected Person's protest of the approval of a Special ~~Procurement~~procurement submitted after the timeline established for submitting such protest under this ~~Rule~~rule or such different time period as may be provided in the public notice of the approval of a Special ~~Procurement~~procurement. The Contract Review Board shall issue a ~~Written~~written disposition of the protest in a timely manner. If the Contract Review Board upholds the protest, in whole or in part, it may in its sole discretion implement the sustained protest in the approval of the Special ~~Procurement~~procurement, or revoke the approval of the Special ~~Procurement~~procurement.

(5) Judicial Review. An ~~affected~~Affected Person may seek judicial review of the Superintendent's decision relating to a protest of the approval of a Special ~~Procurement~~procurement in accordance with ORS 279B.400.

PPS 47-0710 Protests and Judicial Review of Sole-Source ~~Procurements~~procurements

(1) Purpose. For sole-source ~~Procurements~~procurements requiring public notice under PPS 47-0275, an ~~affected~~Affected Person may protest the determination of the Superintendent or designee that the ~~Goods~~goods or ~~Services~~services or class of ~~Goods or Services~~goods or services are available from only one source. Pursuant to ORS 279B.420(3)(f), before seeking judicial review, an ~~affected~~Affected Person ~~must~~shall file a ~~Written~~written protest with the Superintendent or designee and exhaust all administrative remedies.

(2) Delivery. Unless otherwise specified in the public notice of the sole-source ~~Procurement, an affected Person must~~procurement, an Affected Person shall deliver a ~~Written~~written protest to the Superintendent or designee within seven ~~Days~~days after the first date of public notice of the sole-source

~~Procurement~~procurement, unless a different protest period is provided in the public notice of a sole-source ~~Procurement~~procurement.

(3) Content of Protest. The ~~Written~~written protest ~~must~~shall include:

(a) A detailed statement of the legal and factual grounds for the protest;

(b) A description of the resulting harm to the ~~affected~~Affected Person; and

(c) The relief requested.

(4) Response. The Superintendent or designee shall not consider an ~~affected~~Affected Person's sole-source ~~Procurement~~procurement protest submitted after the timeline established for submitting such protest under this ~~Rule~~rule, or such different time period as may be provided in the public notice of the sole-source ~~Procurement~~procurement. The Superintendent or designee shall issue a ~~Written~~written disposition of the protest in a timely manner. If the Superintendent or designee upholds the protest, in whole or in part, the Superintendent shall not enter into a sole-source Contract.

(5) Judicial Review. Judicial review of the Superintendent's or designee's disposition of a sole-source ~~Procurement~~procurement protest shall be in accordance with ORS 279B.420.

PPS 47-0720 Protests and Judicial Review of Multi-Tiered and ~~Multi-Step~~Multistep Solicitations

(1) Purpose. An ~~affected~~Affected Offeror may protest exclusion from the ~~Competitive~~competitive Range or from subsequent tiers or steps of a solicitation in accordance with the applicable Solicitation Document. When such a protest is permitted by the Solicitation Document, then pursuant to ORS 279B.420(3)(f), before seeking judicial review, an ~~affected~~Affected Offeror ~~must~~shall file a ~~Written~~written protest with the District and exhaust all administrative remedies.

(2) Basis for Protest. An ~~affected~~Affected Offeror may only protest its exclusion from a tier or step of competition only if the Offeror is Responsible and submitted a Responsive Offer and, but for the District's mistake in evaluating the Offerors or other Offerors' Offers, the protesting Offeror would have been eligible to participate in the next tier~~,~~ or step~~, or phase~~ of competition. For example, the protesting Offeror ~~must~~shall claim it is eligible for inclusion in the ~~Competitive~~competitive Range if all ineligible higher-scoring Offerors are removed from consideration, and that those ineligible Offerors are ineligible for inclusion in the ~~Competitive~~competitive Range because their Proposals were not Responsive, or the District committed a substantial violation of a provision in the Solicitation Document or of an applicable ~~Procurement~~procurement statute or administrative rule, and the protesting Offeror was unfairly evaluated and would have, but for such substantial violation, been included in the ~~Competitive~~competitive Range.

(3) Delivery. Unless otherwise specified in the Solicitation Document, an ~~affected~~Affected Offeror ~~must~~shall deliver a ~~Written~~written protest to the District within ~~five Days~~seven (7) days after issuance of the notice of the ~~Competitive~~competitive Range or notice of subsequent tiers~~,~~ or steps~~, or phases~~.

(4) Content of Protest. The ~~affected~~Affected Offeror's protest ~~must~~shall be in ~~Writing~~writing and ~~must~~shall specify the grounds ~~on~~upon which the protest is based.

(5) District Response. The District ~~must~~shall not consider an ~~affected~~Affected Offeror's ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep solicitation protest submitted after the timeline established for submitting such protest under this ~~Rule~~rule, or such different time period as may be provided in the Solicitation Document. The District ~~must~~shall issue a ~~Written~~written disposition of the protest in a timely manner. If the District upholds the protest, in whole or in part, the District may in its sole discretion either issue an Addendum under PPS 47-0430 reflecting its disposition or cancel the ~~Procurement~~procurement or solicitation under PPS 47-0660.

(6) Judicial Review. Judicial review of the District's decision relating to a ~~Multi-Tiered or Multi-Step~~multi-tiered or multistep solicitation protest ~~must~~shall be in accordance with ORS 279B.420.

PPS 47-0730 Protests and Judicial Review of Solicitations

(1) ~~Protests~~Purpose. A prospective Offeror may protest the ~~Procurement~~procurement process or the Solicitation Document for a Contract solicited under ORS 279B.055, 279B.060, and 279B.085 as set forth in ORS 279B.405(2). Pursuant to ORS 279B.405(3), before seeking judicial review, a prospective Offeror ~~must~~shall file a ~~Written~~written protest with the District and exhaust all administrative remedies.

(2) Delivery. Unless otherwise specified in the Solicitation Document, a prospective Offeror ~~must~~shall deliver a ~~Written~~written protest to the District not less than ~~five Days~~ten (10) days prior to Closing.

(3) Content of Protest. The prospective Offeror's ~~Written~~written protest ~~must~~shall include:

(a) Sufficient information to identify the ~~solicitation~~Solicitation that is the subject of the protest;

(b) The grounds that demonstrate how the ~~Procurement~~procurement process is contrary to law or how the Solicitation Document is unnecessarily restrictive, is legally flawed, or improperly specifies a Brand Name;

(c) Evidence or supporting documentation that supports the grounds on which the protest is based; and

(d) A statement of the desired changes to the ~~Procurement~~procurement process or the Solicitation Document that the prospective Offeror believes will remedy the conditions upon which the prospective Offeror based its protest.

(4) District Response. The District ~~will~~shall not consider a Prospective Offeror's solicitation protest submitted after the timeline established for submitting such protest under this ~~Rule~~rule, or such different time period as may be provided in the Solicitation Document. The District ~~must~~shall consider the protest if it is timely filed and meets the conditions set forth in ~~Section~~section (3) of this ~~Rule~~rule. The District ~~will~~shall issue a ~~Written~~written disposition of the protest no fewer than three business ~~Days~~days before Offers are due. If the District upholds the protest, in whole or in part, the District may in its sole discretion either issue an Addendum reflecting its disposition under PPS 47-0430 or cancel the ~~Procurement~~procurement or solicitation under PPS 47-0660.

(5) Extension of Closing. If the District receives a protest from a prospective Offeror in accordance with this ~~Rule~~rule, the District may extend Closing if the District determines an extension is necessary to consider and respond to the protest.

(6) Clarification. Prior to the deadline for submitting a protest, a prospective Offeror may request that the District clarify any provision of the Solicitation Document. The District's clarification to an Offeror, whether orally or in ~~Writing~~writing, does not change the Solicitation Document and is not binding on the District unless the District amends the Solicitation Document by Addendum.

(7) Judicial Review. Judicial review of the District's decision relating to a solicitation protest ~~must~~shall be in accordance with ORS 279B.405.

(8) F~~ailure to Protest or Request a Clarification Precludes Protest of ~~Award~~award on Such Issue. An Offeror cannot protest an ~~Award~~award based on any issue that could have, but was not, raised as a Request for Clarification or Protest of solicitation pursuant to this section.

PPS 47-0740 Protests and Judicial Review of Contract ~~Award~~award

(1) Purpose. An Offeror may protest the ~~Award~~award of a Contract, or the ~~Intent~~intent to ~~Award~~award a Contract, whichever occurs first, if:

(a) The ~~Bidder~~bidder or Proposer is adversely affected because the ~~Bidder~~bidder or Proposer would be eligible to be ~~Awarded~~awarded the Public Contract in the event that the protest were successful; and

(b) The reason for the protest is that:

(A) All lower Bids or ~~higher-ranked~~higher ranked Proposals are non-Responsive;

(B) The District has failed to conduct the evaluation of Proposals in accordance with the criteria or processes described in the ~~solicitation~~Solicitation materials;

(C) The District has abused its discretion in rejecting the protestor's ~~Bid~~bid or ~~Proposal~~proposal as non-Responsive; or

(D) The District's evaluation of Bids or Proposals or the District's subsequent determination of ~~Award~~award is otherwise in violation of these ~~Rules~~rules or the Public Contracting Code.

(2) Delivery. An Offeror ~~must~~shall file a ~~Written~~written protest with the District and exhaust all administrative remedies before seeking judicial review of the District's Contract ~~Award~~award decision. Unless otherwise specified in the Solicitation Document, an Offeror ~~must~~shall deliver a ~~Written~~written protest to the District within seven ~~Days~~(7) days after the ~~Award~~award of a Contract, or issuance of the notice of intent to ~~Award~~award the Contract, whichever occurs first.

(3) Content of Protest. An Offeror's ~~Written~~written protest shall specify the grounds for the protest to be considered by the District pursuant to ~~Section~~section (1) of this ~~Rule~~rule.

(4) District Response. The District shall not consider an Offeror's Contract ~~Award~~award protest submitted after the timeline established for submitting such protest under this ~~Rule~~rule, or such different time period as may be provided in the Solicitation Document. The District shall issue a ~~Written~~written disposition of the protest in a timely manner. If the District upholds the protest, in whole or in part, the District may in its sole discretion either ~~Award~~award the Contract to the successful protestor or cancel the ~~Procurement~~procurement or solicitation.

(5) Judicial Review. Judicial review of the District's decision relating to a Contract ~~Award~~award protest shall be in accordance with ORS 279B.415.

PPS 47-0745 Protests and Judicial Review of Qualified Products List Decisions

(1) Purpose. A prospective Offeror may protest the District's decision to exclude the prospective Offeror's goods from the District's qualified products list under ORS 279B.115. A prospective Offeror shall file a written protest and exhaust all administrative remedies before seeking judicial review of the District's qualified products list decision.

(2) Delivery. Unless otherwise stated in the District's notice to prospective Offerors of the opportunity to submit goods for inclusion on the qualified products list, a prospective Offeror shall deliver a written protest to the District within seven (7) days after issuance of the District's decision to exclude the prospective Offeror's goods from the qualified products list.

(3) Content of Protest. The prospective Offeror's protest shall be in writing and shall specify the grounds upon which the protest is based.

(4) District Response. The District shall not consider a prospective Offeror's qualified products list protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the District's notice to prospective Offerors of the opportunity to submit goods for inclusion on the qualified products list. The District shall issue a written disposition of the protest in a timely manner. If the District upholds the protest, it shall include the successful protestor's goods on the qualified products list.

(5) Judicial Review. Judicial review of the District's decision relating to a qualified products list protest shall be in accordance with ORS 279B.420.

PPS 47-0750 Judicial Review of Other Violations

Any violation of ORS 279A or 279B by the District, for which no judicial remedy is otherwise provided in the Public Contracting Code, is subject to judicial review as set forth in ORS 279B.420.

PPS 47-0760 Review of Prequalification and Debarment Decisions

(1) Upon receipt of a notice from the District of a prequalification decision under ORS 279B.125 or of a decision to ~~debar~~Debar under ORS 279B.130, a prospective ~~Bidder~~bidder or Proposer that wishes to appeal the decision shall, within three ~~Days~~days after receipt of the notice, notify the District that the prospective ~~Bidder~~bidder or Proposer appeals the decision as provided in this section.

(2) Immediately upon receipt of the prospective ~~Bidder's~~bidder's or Proposer's notice of appeal, the District shall notify the appropriate Local Contract Review Board.

(3) Upon the receipt of notice from the District under ~~Section~~section (2) of this ~~Rule~~rule, the Contract Review Board shall promptly notify the Person appealing and the District of the time and place of the hearing. The Contract Review Board shall conduct the hearing and decide the appeal within 30 ~~Days~~days after receiving the notice from the District. The Contract Review Board shall set forth in ~~Writing~~writing the reasons for the hearing decision.

(4) At the hearing, the Contract Review Board shall consider de novo the notice of denial, revocation, or revision of a prequalification or the notice of ~~debarment~~Debarment, the standards of responsibility listed in ORS 279B.110(2) on which the District based the denial, revocation or revision of the prequalification or the reasons listed in ORS 279B.130(2) on which the District based the ~~debarment~~Debarment, and any evidence provided by the parties. Hearings before the Contract Review Board shall be conducted under rules of procedure adopted by the Contract Review Board.

(5) The Contract Review Board may allocate the Contract Review Board's costs for the hearing between the Person appealing and the District. The allocation shall be based on facts found by the Contract Review Board and stated in the final order that, in the Contract Review Board's opinion, warrant such allocation of costs. If the final order does not allocate the costs for the hearing, the costs shall be paid as follows:

- **(a)** If the decision to deny, revoke, or revise a prequalification of a Person as a ~~Bidder~~bidder or the decision to ~~debar~~Debar a Person is upheld, the costs shall be paid by the Person appealing the decision.
- **(b)** If the decision to deny, revoke, or revise a prequalification of a Person as a ~~Bidder~~bidder or the decision to ~~debar~~Debar a Person is reversed, the costs shall be paid by the District.

(6) Judicial review of the District's prequalification and ~~debarment~~Debarment decisions ~~must~~shall be as set forth in ORS 279B.425.

PPS 47-0800 Amendments to Goods or Services Contracts and Price Agreements

(1) **Generally**. The District may ~~Amend~~amend a Contract for ~~Goods or Services~~goods or services without additional competition in any of the following circumstances:

- **(a)** The amendment is within the scope of the ~~Procurement~~procurement as described in the Solicitation Documents, if any, or if no Solicitation Documents, as described in the ~~sole source~~sole source notice or the approved Special ~~Procurement, or the Contract~~procurement, if any. An amendment is not within the scope of the ~~Procurement~~procurement if the District determines that if it had described in the ~~Procurement~~procurement the changes to be made by the amendment, it would likely have increased competition or affected ~~Award~~award of the Contract.
- **(b)** These ~~Rules~~rules otherwise permit the District to ~~Award~~award a Contract without competition for the ~~Goods~~goods or ~~Services~~services to be procured under the amendment.

(c) The amendment is necessary to comply with a change in law that affects performance of the Contract.

(d) The amendment results from renegotiation of the terms and conditions, including the Contract Price, of a Contract and the amendment is ~~advantageous~~Advantageous to the District, subject to all of the following conditions:

(A) The ~~Goods~~goods or ~~Services~~services to be provided under the ~~Amended~~amended Contract are the same as the ~~Goods~~goods or ~~Services~~services to be provided under the unamended Contract.

(B) The District determines that, with all things considered, the ~~Amended~~amended Contract is at least as favorable to the District as the unamended Contract.

(C) The amended Contract does not have a total term greater than allowed in the Solicitation Documents, if any, or if no Solicitation Documents, as described in the ~~sole source~~sole source notice or the approved Special ~~Procurement~~procurement, if any, after combining the initial and extended terms. For example, a one-year Contract described as renewable each year for up to four additional years, may be renegotiated as a two~~–~~ to five-year Contract, but not beyond a total of five years.

(2) Small or Intermediate Contract. A Contracting Agency may amend a Contract awarded as a small or intermediate procurement pursuant to section (1) of this rule, provided that the total increase in Contract price does not exceed $125% of the maximum threshold for small procurements or for intermediate procurements.

(3) ~~(2)~~ Price Agreements. The District may amend a Price Agreement as follows:

(a) As permitted by the Price Agreement;

(b) If the circumstances set forth in ORS 279B.140(2) exist, as follows:

(A) The District fails to receive funding or appropriations to sustain purchases at the levels contemplated at the time of contracting; or

(B) The applicable program is terminated or the law changes so that purchases under the Price Agreement are no longer authorized or appropriate for the District's use; or

(c) As permitted by applicable law.

(4) ~~(3)~~ Amendments That Would Cause a Contract to Exceed the Superintendent's Authority. An amendment to a contract approved by the Superintendent that would cause the total Contract Price to exceed the Superintendent's delegated authority to approve contracts under PPS 45-0200 ~~must~~shall be approved by the School Board except as provided in PPS 45-0200.

(4) Reporting Requirement for Amendments/Change Orders That Exceed 125% of Original Contract Price.

(a) A Contract Amendment or Change Order or cumulative Contract Amendments or Change Orders that increase the total Contract Price to greater than one hundred twenty five percent (125%) of the original Contract Price shall be reported to the School Board, except in any of the following circumstances:

(A) The Original Contract Price does not exceed $500,000.

(B) The Superintendent determines that the Amendment, additional scope, or alternative work was contemplated in the original procurement and provided for in the original Contract, and the School Board previously approved the entire scope and/or maximum renewal terms. (Examples include a solicitation and contract that provides for renewal or extension for subsequent terms or a contract that specifically allows for alternates or additional work.)

(b) Contracts subject to the reporting requirement under this Rule shall be reported to the School Board a second time if subsequent Amendments or Change Orders increase the total Contract Price to greater than one hundred and fifty percent (150%) of the original Contract Price.

(c) Contracts subject to the reporting requirement under this Rule shall be reported to the Board at the next regular business meeting of the Board following approval of the amendment or change triggering the reporting requirement. The report shall include an explanation of the basis for the amendment or change order.

END OF DIVISION 47

DIVISION 48

CONSULTANT SELECTION: ARCHITECTURAL, ENGINEERING, PHOTOGRAMMETRIC MAPPING, TRANSPORTATION PLANNING OR LAND SURVEYING SERVICES AND RELATED SERVICES CONTRACTS

PPS 48-0100 Application

These ~~Division~~division 48 ~~Rules~~rules apply to the screening and selection of Architects, Engineers, Photogrammetrists, Transportation Planners, Land Surveyors, and providers of Related ~~Services~~services under Contracts ~~as~~, and set forth ~~in~~ the following procedures:

(1) Procedures through which the District selects Consultants to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning, Land Surveying ~~Services~~services, or Related ~~Services~~services; and

(2) Two-tiered procedures for selection of Photogrammetrists, Transportation Planners, Land Surveyors, and providers of Related ~~Services~~services for certain public improvements owned and maintained by the District.

PPS 48-0110 Definitions

In addition to the definitions set forth in PPS 46-0110, the following definitions apply to these ~~Division~~division 48 ~~Rules~~rules:

(1) "Architect" is defined in ORS 279C.100 and means a Person who is registered and holds a valid certificate in the practice of architecture in the State of Oregon, as provided under ORS 671.010 through 671.220, and includes, without limitation, the terms "Architect," "licensed Architect," and "registered Architect."

(2) "Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services" is defined in ORS 279C.100 and means professional ~~Services~~services that are required to be performed by an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor.

(3) "Consultant" means an Architect, Engineer, Photogrammetrist, Transportation Planner, Land Surveyor, or provider of Related ~~Services~~services. A Consultant includes a business entity that employs Architects, Engineers, Photogrammetrists, Transportation Planners, Land Surveyors, or providers of Related ~~Services,~~services, or any combination of the foregoing. Provided, however, when the District is entering into a direct Contract under PPS 48-0200(1)(c) or (d), the "Consultant" ~~must~~shall be an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor, as required by ORS 279C.115(1).

(4) "Engineer" means an individual who is registered and holds a valid certificate in the practice of land engineering in the State of Oregon, as provided under ORS 672.002 to 672.325, and includes all terms listed in ORS 672.002(2).

(5) "Estimated Fee" means The District's reasonably projected fee to be paid for a Consultant's ~~Services~~services under the anticipated Contract, excluding all anticipated reimbursable or other non-professional fee expenses. The Estimated Fee is used solely to determine the applicable Contract solicitation method and is distinct from the total amount payable under the Contract.

(6) "Land Surveyor" means a Person who is registered and holds a valid certificate in the practice of land surveying in the State of Oregon, as provided under ORS 672.002 to 672.325, and includes all terms listed in ORS 672.002(5).

(7) "Photogrammetric Mapping" means an evaluating and measuring of land that is limited to the determination of the topography, area, contours, and location of planimetric features, by using

photogrammetric methods or similar remote sensing technology, including but not limited to using existing ground control points incidental to the photogrammetric or remote sensing mapping process.

(8) "Photogrammetrist" means an individual who is registered and holds a valid certificate to practice photogrammetric mapping in the State of Oregon, as provided under ORS 672.002 to 672.325, and includes all terms listed in ORS 672.002(5).

(9) "Price Agreement" for purposes of this ~~Division~~division 48 is limited to mean an agreement related to the procurement of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services, under agreed-upon terms and conditions, including, but not limited to terms and conditions of later work orders or task orders for ~~Project-specific Services~~project-specific services, and which may include Consultant compensation information, with:

(a) No guarantee of a minimum or maximum purchase; or

(b) An initial work order, task order, or minimum purchase, combined with a continuing Consultant obligation to provide Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services in which the District does not guarantee a minimum or maximum additional purchase.

(10) "Project" means all components of the District's planned undertaking that gives rise to the need for a Consultant's Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services, under a Contract.

(11) "Related Services" means Personal ~~Services~~services, other than Architectural, Engineering, Photogrammetric Mapping, Transportation Planning, or Land Surveying ~~Services~~services that are related to planning, designing, engineering, or overseeing public improvement projects or components of public improvement projects, including but not limited to landscape architectural services, facilities planning services, energy planning services, space planning services, hazardous substances or hazardous waste or toxic substances testing services, cost-estimating services, appraising services, material testing services, mechanical system balancing services, commissioning services, project management services, construction management services, and owner's representation services, or land-use planning services.

(12) "Transportation Planning Services" means Transportation Planning ~~Services for Projects~~services for projects that require compliance with the National Environmental Policy Act, 42 U.S.C. 4321 et seq. Transportation Planning ~~Services~~services include only ~~Project-specific~~project-specific transportation planning involved in the preparation of categorical exclusions, environmental assessments, environmental impact statements, and other documents required for compliance with the National Environmental Policy Act, 42 USC 4321 et. seq. Transportation Planning ~~Services~~services do not include transportation planning for corridor plans, transportation system plans, interchange area management plans, refinement plans, and other transportation plans not directly associated with an individual ~~Project~~project that will require compliance with the National Environmental Policy Act, 42 USC 4321 et. seq. Transportation Planning ~~Services~~services also do not include transportation planning for ~~Projects~~projects not subject to the National Environmental Policy Act, 42 USC 4321 et. seq.

PPS 48-0120 List of Interested Consultants; Performance Record

(1) Consultants who are engaged in the lawful practice of their profession and who are interested in providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services may annually submit a statement describing their qualifications and related performance information to the District's office addresses. The District shall use this information to create a list of prospective Consultants and shall update this list at least once every two years.

(2) The District may compile and maintain a record of each Consultant's performance under Contracts with the particular Contracting Agency, including information obtained from Consultants during an exit

interview. Upon request and in accordance with the Oregon Public Records Law (ORS ~~192.410~~192.311 through ~~192.505~~192.478), the District may make available copies of the records.

~~**(3)** The District shall keep a record of all Contracts with Consultants and shall make these records available to the public, consistent with the requirements of the Oregon Public Records Law (ORS 192.410 through 192.505). The District shall include the following information in the record:~~

~~**(a)** Locations throughout the state where the Contracts are performed;~~

~~**(b)** Consultants' principal office address and all office addresses in the State of Oregon;~~

~~**(c)** Consultants' direct expenses on each Contract, whether or not those direct expenses are reimbursed. "Direct expenses" include all amounts that are directly attributable to Consultants' Services performed under each Contract, including personnel travel expenses, and that would not have been incurred but for the Services being performed. The record must include all personnel travel expenses as a separate and identifiable expense on the Contract; and~~

~~**(d)** The total number of Contracts Awarded to each Consultant over the immediately preceding ten-year period from the date of the record.~~

PPS 48-0130 Applicable Selection Procedures; Pricing Information; Disclosure of Proposals; Conflicts of Interest

(1) Selection of Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors. When selecting the most qualified Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services, the District shall follow the applicable selection procedure under either PPS 48-0200 (Direct Appointment Procedure), PPS 48-0210 (Informal Selection Procedure), or PPS 488-0220 (Formal Selection Procedure). The District may solicit or use pricing policies and pricing Proposals, or other pricing information, including the number of hours proposed for the ~~Services~~services required, expenses, hourly rates~~,~~ and overhead, ~~to determine a Consultant's compensation only after the District has selected the most qualified Consultant in accordance with the applicable selection procedure; provided, however, this restriction on a Contracting Agency's solicitation or use of pricing policies, pricing Proposals or other pricing information does not apply to~~in any of the District's selection procedures ~~used by the Contracting Agency~~ to select ~~a Consultant when the~~Consultants to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services for the Project do not exceed $100,000 or in an Emergency~~services, pursuant to the requirements of ORS 279C.110(~~8) and (9). In following the Direct Appointment Procedure under PPS 48-0200, the District may base its initial selection of a Consultant on any information available to the District prior to beginning the Direct Appointment Procedure for the Project involved.~~5)

(2) Selection of Consultants to Perform Related Services. ~~When selecting~~The District shall select a Consultant to perform Related ~~Services, the District shall follow~~services using one of the following selection procedures:

(a) When selecting a Consultant on the basis of qualifications alone, the District shall follow the applicable selection procedure under either PPS 48-0200 (Direct Appointment Procedure), PPS 48-0210 (Informal Selection Procedure), or PPS 48-0220 (Formal Selection Procedure);

(b) When selecting a Consultant on the basis of price competition alone, the District shall follow the applicable provisions under PPS 48-0200 (Direct Appointment Procedure), the applicable provisions of PPS 48-0210 (Informal Selection Procedure) pertaining to obtaining and evaluating price proposals and other pricing information, or the applicable provisions of PPS 48-0220 (Formal Selection Procedure) pertaining to obtaining and evaluating price ~~proposals~~Proposals and other pricing information; and

(c) When selecting a Consultant on the basis of price and qualifications, the District shall follow the applicable provisions under PPS 48-0200 (Direct Appointment Procedure), the applicable provisions of PPS 48-0210 (Informal Selection Procedure) pertaining to obtaining and evaluating price and qualifications ~~proposals~~Proposals, or the applicable provisions of PPS 48-0220 (Formal Selection Procedure) pertaining to obtaining and evaluating price and qualifications proposals. For selections under the ~~Informal Selection~~informal selection procedure of PPS 48-0210, the District may use abbreviated ~~Requests for Proposals~~requests for proposals that nevertheless meet the requirements of PPS 48-0210, when the District determines, in its sole discretion, that the characteristics of the ~~Project~~project and the Related ~~Services~~services required by the District would be adequately addressed by a more abbreviated Request for ~~Proposals~~proposal document generally comparable to the ~~Intermediate Procurement~~intermediate procurement procedures and related documentation under ORS 279B.070 and PPS 47-0270. The District may request and consider a Proposer's pricing policies and pricing ~~proposals~~Proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates, and overhead, submitted with a proposal.

~~(3)~~ **Sections (1) and (2) Do Not Apply to Price Agreements**. The District is not required to follow the procedures in ~~Section~~section (1) or ~~Section~~section (2) of this ~~Rule~~rule when the District has established Price Agreements pursuant to PPS 48-0270 with more than one Consultant and is selecting a single Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services under an individual work order or task order. Provided, however, the criteria and procedures the District uses to select a single Consultant, when the District has established Price Agreements with more than one Consultant, shall meet the requirements of OAR PPS 48-0270 (Price Agreements).

(3) ~~(4)~~ **Electronic Selection**. The District may use electronic methods to screen and select a Consultant in accordance with the procedures described in ~~Sections~~sections (1) and (2) of this ~~Rule~~rule. If The District uses electronic methods to screen and select a Consultant, the District shall first promulgate rules for conducting the screening and selection procedure by electronic means, substantially in conformance with PPS 47-0330 (Electronic ~~Procurement~~procurement).

(4) ~~(5)~~ **Contracts for "Mixed" Services**. For purposes of these ~~Division~~division 48 ~~Rules~~rules, a "mixed" Contract is one requiring the Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services, and also provide Related ~~Services~~services, other ~~Services~~services or other related ~~Goods~~goods under the Contract. The District's classification of a procurement that will involve a "mixed" Contract will be determined by the predominant purpose of the Contract. The District ~~will~~shall determine the predominant purpose of the Contract by determining which of the ~~Services~~services involves the majority of the total Estimated Fee to be paid under the Contract. If the majority of the total Estimated Fee to be paid under the Contract is for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services, the District shall comply with the requirements of ~~Section~~section (1) of this ~~Rule~~rule. If the majority of the total Estimated Fee to be paid under the Contract is for Related ~~Services~~services, the District shall comply with the requirements of ~~Section~~section (2) of this ~~Rule~~rule. If the majority of the total Estimated Fee to be paid under the Contract is for some other ~~Services~~services or ~~Goods~~goods under the Public Contracting Code, the District shall comply with the applicable provisions of PPS ~~Divisions~~divisions 46, 47 and 49 of these ~~Rules~~rules that match the predominant purpose of the Contract.

(5) ~~(6)~~ **Compliance With Board Policy**. In applying these ~~Rules~~rules, the District shall support Board Policies relating to District Contracts.

(6) ~~(7)~~ **Disclosure Requirements for Proposals Under Division 48**. The following provisions apply to proposals received by the District for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services:

(a) "Competitive Proposals" Means all Proposals Solicited under Division 48. The term "~~Competitive Proposal~~competitive proposal" includes Proposals under PPS 48-0200 (Direct Appointment Procedure), PPS 48-0210 (Informal Selection Procedure), PPS 48-0220 (Formal Selection Procedure) or PPS 48-0130(2)(c) (Selection Based on Price and Qualifications), and any proposals submitted in response to a selection process for a work order or task order under PPS 48-0270 (Price Agreements) or PPS 48-0280 (FSCP).

(b) Direct Appointments. For purposes of Proposals received by the District under PPS 48-0200 (Direct Appointment Procedure), a formal notice of ~~Intent~~intent to ~~Award~~award is not required. As a result, while the District may make Proposals under PPS 48-0200 (Direct Appointment Procedure) open for public inspection following the District's decision to begin Contract negotiations with the selected Consultant, Proposals are not required to be open for public inspection until after the District has executed a Contract with the selected Consultant.

(c) Closely Competitive Proposals. ~~Where~~In the limited circumstances permitted by ORS 279C.110, 279C.115, and 279C.120, here the District is conducting discussions or negotiations with Proposers who submit Proposals that the District has determined to be closely competitive or to have a reasonable chance of being selected for ~~Award~~award, the District may open Proposals so as to avoid disclosure of ~~Proposal~~proposal contents to competing Proposers, consistent with the requirements of ORS 279C.107. Otherwise, the District may open Proposals in such a way as to avoid disclosure of the contents until after the District executes a Contract with the selected Consultant. If the District determines that it is in the best interest of the District to do so, the District may make Proposals available for public inspection following the District's issuance of a notice of ~~Intent~~intent to ~~Award~~award a Contract to a Consultant~~.~~; and

(d) ORS 297C.107 Requirements. Disclosure of Proposals and ~~Proposal~~proposal information is otherwise governed by ORS 279C.107 as follows:

(A) The District may open Proposals so as to avoid disclosing contents to competing Proposers during, where applicable, the process of negotiation.

(B) The District need not open Proposals for public inspection until after the District executes a Contract.

(C) Regardless of when Proposals are opened for public inspection, the District shall withhold from disclosure trade secrets as defined in ORS 192.501, and information submitted to the District in confidence as described in ORS 192.502.

(D) Opening a ~~Proposal~~proposal at a public meeting of the Board or other body subject to the Public Meetings Law does not make the contents of the ~~Proposal~~proposal subject to disclosure regardless of whether an executive session has been called.

(E) If a request for Proposals is cancelled after Proposals are received, the District shall, subject to ORS 192.501 and 192.502, return a ~~Proposal~~proposal and all copies of the ~~Proposal~~proposal to the Proposer. The District shall keep a list of returned Proposals in the ~~Procurement File~~Solicitation file.

(7) ~~(8)~~ Independent and Objective Oversight Required. Pursuant to ORS 279C.307(1), when procuring Personal ~~Services~~services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with, or otherwise overseeing a Contract subject to PPS ~~Divisions~~divisions 48 or 49 ("ORS 279C.307 Services"), the District may not:

(a) Procure the Personal services identified in ORS 279C.307~~Services~~ from a Contractor or Consultant or an affiliate of a Contractor or Consultant who is a party to the Public Contract that is subject to administration, management, monitoring, inspection, evaluation, or oversight by means of the ~~ORS 279C.307 Services contract~~Personal services; or

(b) Procure the Personal services identified in ORS 279C.~~307 Services through~~307through the Public Contract that is subject to administration, management, monitoring, inspection, evaluation, or oversight by means of ~~the ORS 279C.307 Services Contract.~~Personal services.

~~(8)~~ (9) Application of Section ~~(8)~~. ~~Section.~~ The requirements of ORS 279C.307(1) and section 8 of this ~~Rule applies~~rule apply in the following circumstances, except as provided in ~~Section~~section (9) and (10) of this ~~Rule~~rule:

(a) The District requires the ~~Procurement~~procurement of Personal ~~Services~~services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with, or otherwise overseeing a Public Contract or performance under a Public Contract that is subject to ORS ~~Chapter~~chapter 279C. A Public Contract that is "subject to ORS chapter 279C" includes a Public Contract for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services, a Public Contract for Related ~~Services~~services, or a Public Contract for construction services under ORS ~~Chapter~~chapter 279C.

(b) The ~~Procurement~~procurement of Personal ~~Services~~services subject to the restrictions of ORS 279C.307 include, but are not limited to, the following:

(A) ~~Procurements~~procurements for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services that involve overseeing or monitoring the performance of a construction Contractor under a Public Contract for construction services subject to ORS ~~Chapter~~chapter 279C;

(B) ~~Procurements~~procurements for commissioning services, which involve monitoring, inspecting, evaluating or otherwise overseeing the performance of a Contractor providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or the performance of a construction Contractor under a Public Contract for construction services subject to ORS ~~Chapter~~chapter 279C;

(C) ~~Procurements~~procurements for project management services, which involve administration, management, monitoring, inspecting, evaluating compliance with, or otherwise overseeing the performance of a Contractor providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services, construction services subject to ORS ~~Chapter~~chapter 279C, commissioning services, or other Related ~~Services~~services for a ~~Project~~project;

(D) ~~Procurements~~procurements for special inspections and testing services, which involve inspecting, testing, or otherwise overseeing the performance of a construction Contractor under a Public Contract for construction services subject to ORS ~~Chapter~~chapter 279C; and

(E) ~~Procurements~~procurements for other Related ~~Services~~services or Personal ~~Services~~services, which involve administering, managing, monitoring, inspecting, evaluating compliance with, or otherwise overseeing the Public Contracts described in ~~Section~~section (10)(a) of this ~~Rule~~rule.

(9) ~~(10)~~ Design-Build and CM/GC Contract Solicitations. The ~~restrictions~~ requirements of ORS 279C.307 ~~set forth in Section 9~~ do not apply in the following circumstances, except as further specified below:

(a) To the District's ~~Procurement~~procurement of both design services and construction services through a single "Design-Build" ~~Procurement~~procurement, as that term is defined in PPS 49-0610. Such a Design-Build ~~Procurement~~procurement includes a ~~Procurement~~procurement under an Energy Savings Performance Contract, as defined in ORS 279A.010. Provided, however, the restrictions of ~~Sections 9 and 10~~ORS 279C.307 do apply to the District's ~~Procurement~~procurement of Personal ~~Services~~services for the purpose of administering,

managing, monitoring, inspecting, evaluating compliance with, or otherwise overseeing a Design-Build Contract or performance under such a Contract resulting from a Design-Build ~~Procurement~~procurement; and

(b) To the District's ~~Procurement~~procurement of both pre-construction services and construction services through a single ~~Procurement~~procurement of Construction Manager/General Contractor ~~Services~~services, as that term is defined in ORS 279C.332(3). Provided, however, the restrictions of ~~Sections 9 and 10~~ORS 279C.307 do apply to the District's ~~Procurement~~procurement of Personal ~~Services~~services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with, or otherwise overseeing a Construction Manager/General Contractor ~~Services~~services Contract or performance under such a Contract resulting from a ~~Procurement~~procurement of Construction Manager/General Contractor ~~Services~~services.

(10) Application for Exception. As permitted by ORS 279C.307(3), the District may apply for an exception to the requirements of ORS 279C.307(1) in the situation when the District anticipates that it must procure Personal Services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a Public Contract or performance under a Public Contract that is subject to ORS chapter 279C, and the District desires to accept a Bid or other Proposal from a Contractor or Consultant that would otherwise be prohibited from bidding or proposing to provide the required Personal Services. In order for the District to obtain such an exception to the requirements of ORS 279C.307(1), the District must apply for and obtain an approved exception from the Appropriate Authority for the District before awarding a contract to the Contractor or Consultant under a Procurement for the required Personal Services, or before entering into an amendment of an existing Public Contract with the Contractor or Consultant to obtain the Personal Services.

(a) Application Requirements. The District's application to the Appropriate Authority for an exception under ORS 279C.307(3) must include the following Findings and Justifications:

(A) The District requires ~~the~~ Personal Services described in ORS 279C.307(1);

(B) Accepting a Bid or ~~Proposal~~ from a Contractor or Consultant that would be subject to the prohibition described in ORS 279C.307(1) is in the best interest of the District;

(C) Approving the ~~exception~~ is unlikely to encourage favoritism in awarding Public Contracts or to substantially diminish competition for Public Contracts; and

(D) Approving the exception:

(i) Is reasonably expected to result in substantial cost savings to the District or the public; or

(ii) (ii) Otherwise will substantially promote the public interest in a manner that could not be practicably realized by complying with the prohibition described in ORS 279C.307(1).

(b) Consultation with Legal Counsel. The District shall consult with the District's legal counsel during the exception process provided for in ORS 279C.307(3) as follows:

(A) During the process of preparing an application for the exception to ensure compliance with the requirements of ORS 279C.307 and with the other applicable provisions of ORS Chapter 279C;

(B) Pursuant to the requirements of an ORS 279C.307(3) exception approved by the District's Appropriate Authority; and

(C) The District's consultation with its legal counsel should include discussion and evaluation of mitigation measures that the District can include in the Procurement and in any resulting

Public Contract for the Personal Services, in order to reduce any competitive advantage that the Contractor or Consultant may have or may be perceived to have, and to increase the objectivity and independence of the Contractor or Consultant during its performance of the Personal Services.

(c) Definitions. The following definitions apply to section (11) of this rule:

(i) "Appropriate Authority" means the District's local contract review board; and

(ii) "Findings and Justifications" means the determinations, findings and justifications for a conclusion that the District, in seeking an exception from the objectivity and independence requirements of ORS 279C.307(1), reaches based on the considerations set forth in ORS 279C.307(3)(d) and based on sufficient supporting facts.

SELECTION PROCEDURES

PPS 48-0200 Direct Appointment Procedure

(1) The District may enter into a Contract directly with a Consultant without following the selection procedures set forth elsewhere in these ~~Rules in the following circumstances~~rules if:

(a) Emergency. The District finds that an ~~emergency~~Emergency exists; or

(b) Small Estimated Fee. The Estimated Fee to be paid under the Contract does not exceed $100,000; or

(c) FSCP. The Consultant is a member of an FSCP that has been established for the class of ~~Work~~work for which a Contract is required; or

(d) Continuation of Project with an Intermediate Estimated Fee ~~of $250,000 or Less. The Contract meets~~. Where a District project is being continued, as more particularly described below, and where the Estimated Fee will not exceed $250,000, the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be performed under the following requirements:

(A) The services consist of or are related to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services that have been substantially described, planned, or otherwise previously studied in an earlier Contract with the same Consultant and are rendered for the same ~~Project~~project as the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services rendered under the earlier Contract;

(B) The Estimated Fee to be made under the Contract does not exceed $250,000; and

(C) The District used either the formal selection procedure under PPS 48-0220 (Formal Selection Procedure) or the formal selection procedure applicable to selection of the Consultant at the time of original selection to select the Consultant for the earlier Contract; or

(e) Continuation of Project With an Extensive Estimated Fee ~~Greater Than $250,000. The Contract meets~~. When a District project is being continued, as more particularly described below, and where the Estimated Fee is expected to exceed $250,000, the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be performed under the Contract shall meet the following requirements:

(A) The services consist of or are related to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services that have been substantially described, planned, or otherwise previously studied under an earlier Contract with the same Consultant and are rendered for the same ~~Project~~project as the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services rendered under the earlier Contract;

(B) The District used either the formal selection procedure under PPS 48-0220 (Formal Selection Procedure) or the formal selection procedure applicable to selection of the Consultant at the time of original selection to select the Consultant for the earlier Contract; and

(C) The District makes ~~Written Findings~~written findings that entering into a Contract with the Consultant, whether in the form of an amendment to an existing Contract or a separate Contract for the additional scope of services, will:

(iii) Promote efficient use of public funds and resources and result in substantial cost savings to the District; and

(iv) Protect the integrity of the Public Contracting process and the competitive nature of the ~~Procurement~~procurement by not encouraging favoritism or substantially diminishing competition in the ~~Award~~award of the Contract~~.~~; or

(f) The Contract Review Board Grants Approval for a Direct Appointment or Alternative ~~Procurement~~procurement Process.

(A) The Superintendent may seek approval from the Local Contract Review Board for direct appointment or an alternative procurement process for Consultant services.

(B) The Superintendent ~~must~~shall submit a written request to the Board demonstrating that:

(i) Approval by the Board is unlikely to encourage favoritism in the award of public contracts or substantially diminish competition for public contracts; and

(ii) Is reasonably ~~excepted~~expected to result in substantial cost savings to the District or to the public; or

(iii) Otherwise substantially promotes the public interest in a manner that could not practicably be realized by complying with the selection procedures otherwise required by these rules.

(2) The District may select a Consultant for a Contract under this ~~Rule~~rule from the following sources:

(a) District's list of Consultants that is created under PPS 48-0120~~;~~ (List of Interested Consultants; Performance Record);

(b) Another Contracting Agency's list of Consultants that the Contracting Agency has created under PPS 48-0120 ~~or similar local rule, with Written~~0120 (List of Interested Consultants; Performance Record), with written consent of that Contracting Agency; or

(c) All Consultants offering the required Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services that the District reasonably can identify under the circumstances.

(3) The District shall direct negotiations with ~~Consultants~~a Consultant selected under this ~~Rule toward obtaining Written agreement on~~rule toward discussing, refining, and finalizing the following:

(a) The specific scope of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be provided by the Consultant

(b) ~~**(a)**~~ The ~~Consultants'~~Consultant's performance obligations and performance schedule;

(c) Payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services required under the Contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity, and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services; and

(d) Any other provisions that the District believes to be in the District's best interest to negotiate.

PPS 48-0210 Informal Selection Procedure

(1) The District may use the informal selection procedure described in this rule to obtain a Contract if the Estimated Fee is expected not to exceed $250,000.

(2) When using the informal selection procedure on the basis of qualifications alone or, for Related services, on the basis of price and qualifications, the District shall:

(a) Create a request for Proposals ("RFP") that includes at a minimum the following:

(A) A description of the project for which a Consultant's Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services are needed and a description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services that will be required under the resulting Contract;

(B) The anticipated Contract performance schedule;

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional services related to the project, including construction services;

(D) The date and time Proposals are due and other directions for submitting Proposals;

(E) Criteria upon which the most qualified Consultant will be selected. Selection criteria may include, but are not limited to, the following:

(i) The amount and type of resources and number of experienced staff the Consultant has committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services described in the RFP within the applicable time limits, including the current and projected workloads of such staff and the proportion of time such staff would have available for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services;

(ii) Proposed management techniques for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services described in the RFP;

(iii) A Consultant's capability, experience and past performance history and record in providing similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services, including but not limited to quality of work, ability to meet schedules, cost control methods and Contract administration practices;

(iv) A Consultant's approach to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services described in the RFP and design philosophy, if applicable;

(v) A Consultant's geographic proximity to and familiarity with the physical location of the project;

(vi) Volume of work, if any, previously awarded to a Consultant, with the objective of effecting equitable distribution of Contracts among qualified Consultants, provided such distribution does not violate the principle of selecting the most qualified Consultant for the type of professional services required;

(vii) A Consultant's ownership status and employment practices regarding women, minorities and emerging small businesses or historically underutilized businesses;

(viii) Whether the Consultant owes a liquidated and delinquent debt to the State of Oregon; and

(ix) If the District is selecting a Consultant to provide Related service, pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead.

(F) A Statement that Proposers responding to the RFP do so solely at their expense, and District is not responsible for any Proposer expenses associated with the RFP;

(G) A statement directing Proposers to the protest procedures set forth in these division 48 rules; and

(H) A sample form of the Contract.

(b) Provide an RFP to a minimum of five (5) prospective Consultants. If fewer than five (5) prospective Consultants are available, Contracting Agencies shall provide the RFP to all available prospective Consultants and shall maintain a written record of the Contracting Agencies' efforts to locate available prospective Consultants for the RFP. Contracting Agencies shall draw prospective Consultants from:

(A) The District's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record);

(B) Another Contracting Agency's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record); or

(C) All Consultants that the District reasonably can locate that offer the desired Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services, or any combination of the foregoing.

(c) Review and rank all Proposals received according to the criteria set forth in the RFP, and select the three highest ranked Proposers.

(3) Contracting Agencies using the informal selection procedure for Related services on the basis of price Proposals and other pricing information alone shall:

(a) Create an RFP that includes at a minimum the following:

(A) A description of the project for which a Consultant's Related services are needed and a description of the Related services that will be required under the resulting Contract;

(B) The anticipated Contract performance schedule;

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional services related to the project, including construction services;

(D) The date and time Proposals are due and other directions for submitting Proposals;

(E) Any minimum or pass-fail qualifications that the Proposers shall meet, including but not limited to any such qualifications in the subject matter areas described in section (2)(a)(E)(i) through section (2)(a)(E)(viii) of this rule that are related to the Related services described in the RFP;

(F) Pricing criteria upon which the highest ranked Consultant will be selected. Pricing criteria may include, but are not limited to, the total price for the Related services described in the RFP, Consultant pricing policies and other pricing information such as the Consultant's estimated number of staff hours needed to perform the Related services described in the RFP, expenses, hourly rates and overhead;

(G) A statement directing Proposers to the protest procedures set forth in these division 48 rules; and

(H) A sample form of the Contract.

(b) Provide the RFP to a minimum of five (5) prospective Consultants. If fewer than five (5) prospective Consultants are available, Contracting Agencies shall provide the RFP to all available prospective Consultants and shall maintain a written record of the Contracting Agencies' efforts to locate available prospective Consultants for the RFP. Contracting Agencies shall draw prospective Consultants from:

(A) The District's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record);

(B) Another Contracting Agency's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record); or

(C) All Consultants that the District reasonably can locate that offer the desired Related services; and.

(c) Review and rank all responsive Proposals received, according to the total price for the Related services described in the RFP, Consultant pricing policies and other pricing information requested in the RFP, including but not limited to the number of hours proposed for the Related services required, expenses, hourly rates and overhead, and select the three highest ranked Proposers.

(4) If the District does not cancel the RFP after it reviews the Proposals and ranks each Proposer, the District will begin negotiating a Contract with the highest ranked Proposer. The District shall direct Contract negotiations toward discussing, refining and finalizing the following:

(a) The specific scope of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be provided by the Consultant;

(b) The Consultant's performance obligations and performance schedule;

(c) ~~(b)~~ Payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services required under the Contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity, and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services; and

(d) ~~(c)~~ Any other conditions or provisions that the District believes to be in the District's best interest to negotiate.

(5) The District shall, either orally or in writing, formally terminate negotiations with the highest ranked Proposer, if the District and the Proposer are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The District may thereafter negotiate with the second ranked Proposer, and if

necessary, with the third ranked Proposer, in accordance with section (4) of this rule, until negotiations result in a Contract. If negotiations with any of the top three Proposers do not result in a Contract within a reasonable amount of time, the District may end the particular informal solicitation and thereafter may proceed with a new informal solicitation under this rule or proceed with a formal solicitation under OAR 137-048-0220 (Formal Selection Procedure).

(6) If the District uses the informal selection procedure for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services, when the District will be using pricing policies, proposals or other pricing information as part of the District' screening and selection of prospective Consultants, pursuant to ORS 279C.110(5) [HB 2769 (Oregon Laws 2019, Chapter 55)], shall:

(a) Create an RFP that meets the requirements of ORS 279C.110(5)(a) In providing an estimate of the cost of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, the District may provide a specific estimate of that cost, or a range of estimated costs;

(b) Provide the RFP to a minimum of five (5) prospective Consultants. If fewer than five (5) prospective Consultants are available, the District shall provide the RFP to all available prospective Consultants and shall maintain a written record of the District's efforts to locate available prospective Consultants for the RFP. The District shall draw prospective Consultants from:

(A) The District's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record);

(B) Another Contracting Agency's list of Consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record); or

(C) All Consultants that the District reasonably can locate that offer the desired Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services, or any combination of the foregoing.

(c) In the initial phase of the RFP, evaluate each prospective Consultant on the basis of each Consultant's qualifications to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, with those qualifications including the criteria set forth in subsections (2)(a)(E)(i) through (2)(a)(E)(viii) of this rule;

(d) (d) At the end of the initial phase of the RFP, announce the evaluation scores of each Consultant and rank each Consultant according to the evaluation scores. The District shall identify up to three (3) of the highest ranked prospective Consultants as being qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, and as being eligible to participate in the second phase of the RFP process;

(e) (e) In the second phase of the RFP, request a pricing proposal from the highest ranked prospective Consultants identified in the initial phase of the RFP, with that pricing proposal to meet the requirements of ORS 279C.110(5)(c)(A) and (B);

(f) (f) Complete the evaluation of the highest ranked prospective Consultants that have decided to provide price proposals. In the District's final evaluation of the prospective Consultants who have provided price proposals, the District cannot assign more than fifteen (15) percent of the overall weight of the evaluation criteria in the second phase of the RFP to each Consultant's price proposal;

(g) If the District does not cancel the RFP after it reviews the qualifications of all prospective Consultants and the price proposals received from the highest ranked Consultants and ranks the highest ranked Consultants from the second phase of the RFP, begin negotiating a Contract with the highest ranked prospective Consultant. The District shall direct Contract negotiations toward discussing, refining and finalizing the following:

(A) The specific scope of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be provided by the Consultant;

(B) The Consultant's performance obligations and performance schedule;

(C) The Consultant's payment methodology, rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services required under the Contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services; and

(D) Any other conditions or provisions the District believes to be in the District's best interest to negotiate; and

(h) The District shall, either orally or in writing, formally terminate negotiations with the highest ranked Consultant, if the District and the Consultant are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The District may thereafter negotiate with the second ranked Consultant, and if necessary, with the third ranked Consultant, in accordance with section (6)(g) of this rule, until negotiations result in a Contract. If negotiations with any of the top three prospective Consultants do not result in a Contract within a reasonable amount of time, the District may end the particular informal solicitation and thereafter may proceed with a new informal solicitation under this rule or proceed with a formal solicitation under OAR 137-048-0220 (Formal Selection Procedure).

(7) When the Estimated Fee in an informal selection procedure under this rule is expected not to exceed $150,000, the Contracting Agency is only required to provide the RFP under sections (2), (3) and (6) of this rule to three (3) prospective Consultants. If fewer than three (3) prospective Consultants are available, the Contracting Agency shall provide the RFP to all available prospective Consultants and shall maintain a written record of the Contracting Agency's efforts to locate available prospective Consultants for the RFP.

(8) The Contracting Agency shall terminate the informal selection procedure and proceed with the formal selection procedure under PPS 48-0220 if the scope of the anticipated Contract is revised during negotiations so that the Estimated Fee will exceed $250,000.

PPS 48-0220 Formal Selection Procedure

(1) Subject to OAR PPS 48-0130 (Applicable Selection Procedures; Pricing Information; Disclosure of Proposals), the District shall use the formal selection procedure described in this ~~Rule~~rule to select a Consultant if the Consultant cannot be selected under either PPS 48-0200 (Direct Appointment Procedure) or under PPS 48-0210 (Informal Selection Procedure). The formal selection procedure described in this ~~Rule~~rule may otherwise be used at the ~~District's~~District's discretion.

(2) When using the formal selection procedure, the District shall obtain Contracts through public advertisement of RFPs, or Requests for Qualifications followed by RFPs.

(a) Except as provided in ~~Section~~subsection (2)(b) of this ~~Rule~~section, the District shall advertise each RFP and RFQ at least once in at least one newspaper of general circulation in the area where the ~~Project~~project is located, and in as many other issues and publications as may be necessary or desirable to achieve adequate competition. Other issues and publications may include, but are not limited to, local newspapers, trade journals, and publications targeted to reach ~~the~~ disadvantaged business enterprise ("DBE"), ~~service-disabled~~ veteran-owned business ("~~SDVB~~"VB), minority business enterprise ("MBE"), women business enterprise ("WBE"), and emerging small business enterprise ("ESB") audiences.

(A) The District shall publish the advertisement within a reasonable time before the deadline for the ~~Proposal~~proposal submission or response to the RFQ or RFP, but in any event no fewer

than fourteen (14 ~~Days~~) calendar days before the ~~Closing~~closing date set forth in the RFQ or RFP.

(B) The District shall include a brief description of the following items in the advertisement:

(i) The ~~Project~~project;

(ii) A description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services the District seeks;

(iii) How and where Consultants may obtain a copy of the RFQ or RFP; and

(iv) The deadline for submitting a ~~Proposal~~proposal or response to the RFQ or RFP.

(b) In the alternative to advertising in a newspaper as described in ~~Section~~subsection (2)(a) of this ~~Rule~~rule, the District shall publish each RFP and RFQ by one or more of the electronic methods identified in PPS 46-0110(14). The District shall comply with Sections (2)(a)(A) and (2)(a)(B) of this ~~Rule~~rule when publishing advertisements by electronic methods.

(c) The District may send notice of the RFP or RFQ directly to all Consultants on the District's list of Consultants that is created and maintained under PPS 48-0120 (List of Interested Consultants; Performance Record).

(3) Request for Qualifications Procedure. The District may use the RFQ procedure to evaluate potential Consultants and establish a short list of qualified Consultants to whom the District may issue an RFP for some or all of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFQ.

(a) Mandatory RFQ Requirements. The District shall include the following, at a minimum, in each RFQ:

(A) A brief description of the ~~Project~~project for which the District is seeking a Consultant;

(B) A description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services the District seeks for the ~~Project~~project;

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional ~~Services~~services related to the ~~Project~~project, including, but not limited to, construction services;

(D) The deadline for submitting a response to the RFQ;

(E) A description of required Consultant qualifications for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services that the District seeks;

(F) The RFQ evaluation criteria, including weights, points, or other classifications applicable to each criterion;

(G) A statement whether or not the District ~~will~~shall hold a ~~prequalification~~pre-qualification meeting for all interested Consultants to discuss the ~~Project~~project and the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFQ, and if a ~~prequalification~~pre-qualification meeting will be held, the location of the meeting and whether or not attendance is mandatory; and

(H) A ~~statement~~Statement that Consultants responding to the RFQ do so solely at their expense, and that the District is not responsible for any Consultant expenses associated with the RFQ.

(b) Optional RFQ Requirements. The District may include a request for any or all of the following in each RFQ:

(A) A statement describing Consultants' general qualifications and related performance information;

(B) A description of Consultants' specific qualifications to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFQ, including Consultants' ~~available~~ committed resources and recent, current, and projected workloads;

(C) A list of similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services and references concerning past performance, including but not limited to price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;

(D) A copy of all records, if any, of Consultants' performance under ~~contracts~~Contracts with any other Contracting Agency;

(E) The number of Consultants' experienced staff committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFQ, including such personnel's specific qualifications and experience and an estimate of the proportion of time that such personnel would spend on those ~~Services~~services;

(F) Consultants' approaches to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFQ and design philosophy, if applicable;

(G) Consultants' geographic proximity to and familiarity with the physical location of the ~~Project~~project;

(H) Consultants' ~~ownership~~Ownership status and employment practices regarding women, minorities and emerging small businesses or historically underutilized businesses;

(I) If the District is selecting a Consultant to provide Related ~~Services~~services, Consultants' pricing policies and pricing Proposals, or other pricing information, including the number of hours estimated for the services required, expenses, hourly rates, and overhead;

(J) Consultants' ability to assist the District in complying with any art acquisition requirements imposed by the District;

(K) Consultants' ability to assist the District in complying with State of Oregon energy efficient design requirements established by the District;

(L) Consultants' ability to assist the District in complying with the solar energy technology requirements ~~of~~pursuant to ORS ~~279C.527~~276.900 through 279.915; and

(M) Any other information the District deems reasonably necessary to evaluate Consultants' qualifications.

(c) Pricing Proposal Requests Not Allowed During the RFQ Process When RFQ is followed by RFP. If the District will use a Request for Qualifications followed by an RFP to procure Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services under this rule and District intends to use pricing policies, proposals or other pricing information

as part of the District's screening and selection of prospective Consultants, pursuant to ORS 279C.110(5), the District cannot request cost proposals or otherwise use pricing policies, proposals or other pricing information as part of the Request for Qualifications. The District may only request cost proposals or otherwise use pricing policies, proposals or other pricing information during the RFP process, following the establishment of a short list of qualified Consultants through the Request for Qualifications process.

(d) ~~**(c)**~~ RFQ Evaluation Committee. The District shall establish an RFQ evaluation committee of at least two individuals to review, score, and rank the responding Consultants according to the evaluation criteria. The District may appoint to the evaluation committee District employees or employees of other public agencies with experience in ~~architecture, engineering, or land surveying~~Architecture, Engineering, or Land Surveying services, Related ~~Services,~~services, construction services, or Public Contracting. If the District procedure permits, the District may include on the evaluation committee private practitioners of architecture, engineering, photogrammetry, transportation ~~or~~planning, land surveying, or related professions. The District shall designate one member of the evaluation committee as the evaluation committee chairperson.

(e) ~~**(d)**~~ The District may use any reasonable screening or evaluation method to establish a short list of qualified Consultants, including, but not limited to, the following:

(A) Requiring Consultants responding to an RFQ to achieve a threshold score before qualifying for placement on the short list;

(B) Placing a ~~predetermined~~pre-determined number of the ~~highest-scoring~~highest scoring Consultants on a short list;

(C) Placing on a short list only those Consultants with certain essential qualifications or experience, whose practice is limited to a particular subject area, or ~~whose~~who practice ~~is~~ in a particular geographic locale or region, provided that such factors are material, would not unduly restrict competition, and were announced as dispositive in the RFQ.

(f) ~~**(e)**~~ After the evaluation committee reviews, scores, and ranks the responding Consultants, the District shall establish a short list of at least three qualified Consultants, if feasible, provided however, ~~that~~ if four or fewer Consultants responded to the RFQ or if fewer than three Consultants fail to meet the District's minimum requirements, then:

(A) The District may establish a short list of fewer than three qualified Consultants; or

(B) The District may cancel the RFQ and issue an RFP.

(g) ~~**(f)**~~ No Consultant will be eligible for placement on the District's short list established under ~~Section~~subsection (3)(d) of this ~~Rule~~rule if the Consultant or any of Consultant's principals, partners, or associates are members of the District's RFQ evaluation committee.

(h) ~~**(g)**~~ Except when the RFQ is cancelled, the District shall provide a copy of the subsequent RFP to each Consultant on the short list.

(4) Formal Selection of Consultants Through Request for ~~Proposals~~Proposal. The District shall use the procedure described in ~~this Section~~section (4) of this ~~Rule~~rule when issuing an RFP for a Contract described in ~~Section~~section (1) of this ~~Rule~~rule.

(a) ~~Mandatory RFP Requirements. When using~~Required Contents. Except as otherwise provided in Sections (4)(b) and (4)(c) of this rule, when the District uses the formal selection procedure, the District shall include at least the following in each RFP, whether or not the RFP is preceded by an RFQ:

(A) General background information, including a description of the ~~Project~~project and the specific Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services sought for the ~~Project~~project, the estimated ~~Project~~project cost, the estimated time period during which the ~~Project~~project is to be completed, and the estimated time period in which the specific Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services sought will be performed.

(B) The RFP evaluation process and the criteria ~~that~~which will be used to select the most qualified Proposer, including the weights, points, or other classifications applicable to each criterion. If the District does not indicate the applicable number of points, weights, or other classifications, then each criterion is of equal value. Evaluation criteria may include, but are not limited to, the following:

(i) Proposers' availability and capability to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP;

(ii) Experience of Proposers' key staff persons in providing similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services on comparable projects;

(iii) The amount and type of resources and number of experienced staff persons Proposers have committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP;

(iv) The recent, current, and projected workloads of the staff and resources referenced in ~~Section~~section (4)(a)(B)(iii), above;

(v) The proportion of time Proposers estimate that the staff referenced in ~~Section~~section (4)(a)(B)(iii) above would spend on the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP;

(vi) Proposers' demonstrated ability to complete successfully similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services on time and within budget, including whether or not there is a record of satisfactory performance under PPS 48-0120~~;~~ (List of Interest Consultants; Performance Record);

(vii) References and recommendations from past clients;

(viii) Proposers' performance history in meeting deadlines, submitting accurate estimates, producing high quality work, meeting financial obligations, price and cost data from previous projects, cost controls, and contract administration;

(ix) Status and quality of any required license or certification;

(x) Proposers' knowledge and understanding of the ~~Project~~project and Architectural, Engineering, ~~Photogrammetric Mapping, Transportation Planning or~~and Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP as shown in Proposers' approaches to staffing and scheduling needs for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services, and proposed solutions to any perceived design and constructability issues;

(xi) Results from interviews, if conducted;

(xii) Design philosophy, if applicable, and approach to the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP;

(xiii) If the District is selecting a Consultant to provide Related ~~Services~~services, pricing policies and pricing Proposals, or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates, and overhead; and

(xiv) Any other criteria that the District deems relevant to the ~~Project~~project and the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP, including, where the nature and budget of the ~~Project~~project so warrant, a design competition between competing Proposers. Provided, however, ~~that~~ these additional criteria cannot include pricing policies and pricing Proposals, or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates, and overhead, when the sole purpose or predominant purpose of the RFP is to obtain Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services.

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional ~~Services~~services related to the ~~Project~~project, including, but not limited to, construction services;

(D) Whether interviews are possible and if so, the weight, points, or other classifications applicable to the potential interview;

(E) The date and time Proposals are due, and the delivery location for Proposals;

(F) Reservation of the right to seek clarifications of each ~~Proposal~~proposal;

(G) Reservation of the right to negotiate a final Contract that is in the best interest of the District;

(H) Reservation of the right to reject any or all Proposals and reservation of the right to cancel the RFP at any time if doing either would be in the public interest as determined by the District;

(I) A ~~statement~~Statement that Proposers responding to the RFP do so solely at their expense, and the District is not responsible for any Proposer expenses associated with the RFP;

(J) A statement directing Proposers to the protest procedures set forth in these ~~Division~~division 48 ~~Rules~~rules;

(K) Special Contract requirements, including~~,~~ but not limited to~~,~~ DBE, MBE, WBE, ESB, and ~~SDVB~~VB participation goals or good faith efforts with respect to DBE, MBE, WBE, ESB, and ~~SDVB~~VB participation, and federal requirements when federal funds are involved;

(A) A statement whether or not the District ~~will~~shall hold a ~~pre-Proposal~~pre-proposal meeting for all interested Consultants to discuss the ~~Project~~project and the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP, and if a ~~pre-Proposal~~pre-proposal meeting will be held, the location of the meeting and whether or not attendance is mandatory;

(B) A request for any information the District deems reasonably necessary to permit the District to evaluate, rank, and select the most qualified Proposer to perform the Architectural,

Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP; and

(C) A sample form of the Contract.

(b) RFP Contents for Related Services Selections Based on Price Only. When using the formal selection procedure, the District shall include at least the following in each RFP, whether or not the RFP is preceded by an RFQ, when the formal selection procedure is for Related ~~Services~~services selected on the basis of price Proposals and other pricing information only:

(A) General background information, including a description of the ~~Project~~project and the specific Related ~~Services~~services sought for the ~~Project~~project, the estimated ~~Project~~project cost, the estimated time period during which the ~~Project~~project is to be completed, and the estimated time period in which the specific Related ~~Services~~services sought will be performed;

(B) The RFP evaluation process and the price criteria which will be used to select the highest ranked Proposer, including the weights, points or other classifications applicable to each criterion. If the District does not indicate the applicable number of points, weights or other classifications, then each criterion is of equal value. Evaluation price criteria may include, but are not limited to, the total price for the Related ~~Services~~services described in the RFP, Consultant pricing policies, and other pricing information such as the Consultant's estimated number of staff hours needed to perform the Related ~~Services~~services described in the RFP, expenses, hourly rates and overhead;

(C) Any minimum or pass-fail qualifications that the Proposers ~~must~~shall meet, including but not limited to any such qualifications in the subject matter areas described in ~~Sections~~section (4)(a)(B)(i) through section (4)(a)(B)(xii) of this rule; and

(D) The information listed in ~~Sections~~section (4)(a)(C) through section(4)(a)(N) of this rule pertaining to the Related ~~Services~~services described in the RFP.

(c) RFP Contents for District Selection of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services with Pricing Policies, Proposals or Other Pricing Information. If the District will be including pricing policies, proposals or other pricing information in the District's formal selection procedure criteria for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services pursuant to ORS 279C.110(5), the District shall meet the following minimum requirements for each RFP:

(A) If the District has used the Request for Qualifications procedure in section (3) of this rule to evaluate potential Consultants and establish a short list of qualified Consultants pursuant to ORS 279C.110(5), the RFP shall meet the requirements of ORS 279C.110(5) that address the second phase of the selection process applicable to the short list of no more than three of the highest ranked prospective consultants that were identified in the initial phase of the selection process described in ORS 279C.110(5)(a) and (b).

(B) If the District has elected to not use the Request for Qualifications procedure in section (3) of this rule, and will use only an RFP in the District's use of the formal selection procedure, the District shall include at least the following in the RFP:

(i) The information set forth in ORS 279C.110(5)(a). In providing an estimate of the cost of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, the District may provide a specific estimate of that cost, or a range of estimated costs;

(ii) (In the initial phase of the RFP, provisions describing the District's evaluation of each prospective Consultant on the basis of each Consultant's qualifications to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, with those qualifications including the criteria set forth in subsections (4)(a)(B)(i) through (4)(a)(B)(xiii) and (4)(a)(B)(xv) of this rule;

(iii) At the end of the initial phase of the RFP, provisions describing the District's evaluation scores of each Consultant and rank of each Consultant according to the evaluation scores. The District shall identify up to three (3) of the highest ranked prospective Consultants as being qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services described in the RFP, and as being eligible to participate in the second phase of the RFP process;

(iv) In the second phase of the RFP, provisions describing the District's request of a pricing proposal from each of the highest ranked prospective Consultants identified in the initial phase of the RFP, pursuant to the requirements of ORS 279C.110(5)(c)(A) and (B);

(v) Provisions describing the District's evaluation of the highest ranked prospective Consultants that have decided to provide price proposals. In the District's final evaluation of the prospective Consultants who have provided price proposals, the District cannot assign more than fifteen (15) percent of the overall weight of the evaluation criteria in the second phase of the RFP to each Consultant's price proposal;

(d) ~~(c)~~ RFP Evaluation Committee. The District shall establish a committee of at least three individuals to review, score, and rank Proposals according to the evaluation criteria set forth in the RFP. ~~The Director of the Department of Procurement or the Director's designee shall serve as chair of the evaluation committee, but will not participate in the scoring or ranking of Proposals.~~ If the RFP has followed an RFQ, the District may include the same members who served on the RFQ evaluation committee. The District may appoint to the evaluation committee the District employees or employees of other public agencies with experience in Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~ or Related ~~Services~~services, construction services, or Public Contracting. At least one member of the evaluation committee ~~must~~shall be a District employee. If the District procedure permits, the District may include on the evaluation committee private practitioners of architecture, engineering, land surveying, or related professions. The District shall designate one of its employees who also is a member of the evaluation committee as the evaluation committee chairperson.

(A) No Proposer will be eligible for ~~Award~~award of the Contract under the RFP if Proposer or any of Proposer's principals, partners, or associates are members of the District's RFP evaluation committee for the Contract;

(B) If the RFP provides for the possibility of Proposer interviews, the evaluation committee may elect to interview Proposers if the evaluation committee considers it necessary or desirable. If the evaluation committee conducts interviews, it shall award weights, points, or other classifications indicated in the RFP for the anticipated interview; and

(C) The evaluation committee shall provide to the District the results of the scoring and ranking for each Proposer.

(e) ~~(d)~~ If the District does not cancel the RFP after it receives the results of the scoring and ranking for each Proposer, the District ~~will~~shall begin negotiating a Contract with the ~~highest~~

~~ranked~~highest ranked Proposer. The District shall direct Contract negotiations toward ~~obtaining Written agreement on~~discussing, refining and finalizing he following:

(A) The specific scope of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be provided by the Consultant;

(B) ~~(A)~~ The Consultant's performance obligations and performance schedule;

(C) ~~(B)~~ Payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services required under the Contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity, and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services; and

(D) ~~(C)~~ Any other conditions or provisions the District believes to be in the District's best interest to negotiate.

(f) ~~(e)~~ The District shall, either orally or in ~~Writing~~writing, formally terminate negotiations with the ~~highest ranked~~highest ranked Proposer if the District and Proposer are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The District may thereafter negotiate with the ~~second ranked~~second ranked Proposer, and if necessary, with the ~~third ranked~~third ranked Proposer, and so on if applicable, in accordance with ~~Section~~section (4)(c) of this ~~Rule~~rule, until negotiations result in a Contract. If negotiations with any Proposer do not result in a Contract within a reasonable amount of time, the District may end the particular formal solicitation. Nothing in this ~~Rule~~rule precludes the District from proceeding with a new formal solicitation for the same Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP that failed to result in a Contract.

PPS 48-0230 Ties Among Proposers

(1) If the District is selecting a Consultant on the basis of qualifications alone and determines after the ranking of Proposers that two or more Proposers are equally qualified, the District may select a candidate through any process that the District believes will result in the best value for the District, taking into account the scope, complexity, and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services. Provided, however, that the tie-breaking process established by the District under this ~~Section~~section (1) cannot be based on pricing policies and pricing Proposals, or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates, and overhead. The process ~~must~~shall be designed to instill public confidence through ethical and fair dealing, honesty, and good faith on the part of the District and Proposers and shall protect the integrity of the Public Contracting process. Once a tie is broken, the District and the selected Proposer shall proceed with negotiations under PPS 48-0210(3) or 48-0220(4)(c), as applicable.

(2) If the District is selecting a Consultant on the basis of price alone, or on the basis of price and qualifications, and determines after the ranking of Proposers that two or more Proposers are identical in terms of price or are identical in terms of price and qualifications, then the District shall follow the procedure set forth in PPS 46-0300 (Preferences for Oregon goods and services) to select the Consultant.

PPS 48-0240 Protest Procedures

(1) RFP Protest and Request for Change. Pursuant to ORS 279C.110(8), Consultants may submit a ~~Written~~written protest of anything contained in an RFP and may request a change to any provision, ~~Specification~~specification, or Contract term contained in an RFP, no later than seven ~~Days~~(7) calendar days prior to the date Proposals are due, unless a different deadline is indicated in the RFP. Each protest and

request for change ~~must~~shall include the reasons for the protest or request, and any proposed changes to the RFP provisions, ~~Specifications~~specifications, or Contract terms. The District may not consider any protest or request for change that is submitted after the submission deadline.

(2) Protest of Consultant Selection. Pursuant to ORS 279C.110(8), Consultants may submit a written protest of the District's selection of a Consultant for award of a Contract as follows:

(a) Single ~~Award~~award. In the event of an ~~Award~~award to a single Proposer, the District shall provide to all Proposers a copy of the selection notice that the District sent to the ~~highest-ranked~~highest ranked Proposer. A Proposer who claims to have been adversely affected or aggrieved by the selection of the ~~highest-ranked~~highest ranked Proposer may submit a ~~Written~~written protest of the selection to the District no later than seven ~~Days~~days after the date of the selection notice, unless a different deadline is indicated in the RFP. A Proposer submitting a protest ~~must~~shall claim that the protesting Proposer is the ~~highest-ranked~~highest ranked Proposer because the Proposals of all ~~higher-ranked~~higher ranked Proposers failed to meet the requirements of the RFP, or because the ~~higher-ranked~~higher ranked Proposers otherwise are not qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP.

(b) Multiple ~~Award~~award. In the event of an ~~Award~~award to more than one Proposer, the District shall provide to all Proposers copies of the selection notices that the District sent to the ~~highest-ranked~~highest ranked Proposers. A Proposer who claims to have been adversely affected or aggrieved by the selection of the ~~highest-ranked~~highest ranked Proposers may submit a ~~Written~~written protest of the selection to the District no later than seven ~~Days~~days after the date of the selection notices, unless a different deadline is indicated in the RFP. A Proposer submitting a protest ~~must~~shall claim that the protesting Proposer is one of the ~~highest-ranked~~highest ranked Proposers because the Proposals of all ~~higher-ranked~~higher ranked Proposers failed to meet the requirements of the RFP, or because a sufficient number of Proposals of ~~higher-ranked~~higher ranked Proposers to failed to meet the requirements of the RFP. In the alternative, a Proposer submitting a protest ~~must~~shall claim that the Proposals of all ~~higher-ranked~~higher ranked Proposers, or a sufficient number of ~~higher-ranked Proposers to include the protesting Proposer in the group of highest-ranked~~higher ranked Proposers, ~~otherwise~~ are not qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the RFP.

(c) Effect of Protest Submission Deadline. The District may not consider any protest that is submitted after the submission deadline.

(3) Resolution of Protests. A duly authorized representative of the District shall resolve all timely submitted protests within a reasonable time following the District's receipt of the protest, and once resolved, shall promptly issue a ~~Written~~written decision on the protest to the Proposer who submitted the protest. If the protest results in a change to the RFP, the District shall revise the RFP accordingly and shall re-advertise the RFP in accordance with these ~~Rules~~rules.

PPS 48-0250 Solicitation Cancellation, Delay, or Suspension; Rejection of All Proposals or Responses; Consultant Responsibility for Costs

The District may cancel, delay, or suspend a solicitation, RFQ, or other preliminary ~~Procurement~~procurement document, whether related to a Direct Appointment Procedure (PPS 48-0200), Informal Selection Procedure (PPS 48-0210), or a Formal Selection Procedure (PPS 48-0200), or reject all Proposals, responses to RFQs, responses to other preliminary ~~Procurement~~procurement documents, or any combination of the foregoing, if the District believes it is in the public interest to do so. In the event of any such cancellation, delay, suspension, or rejection, the District is not liable to any Proposer for any loss or expense caused by or resulting from any such cancellation, delay, suspension, or rejection. Consultants responding to either

solicitations, RFQs, or other preliminary ~~Procurement~~procurement documents are responsible for all costs they may incur in connection with submitting Proposals, responses to RFQs, or responses to other preliminary ~~Procurement~~procurement documents.

PPS 48-0260 Two-Tiered Selection Procedure for District Public Improvement Projects

(1) If the District requires an Architect, Engineer, Photogrammetrist, Transportation Planner, or Land Surveyor to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for a public improvement that is owned and maintained by the District and a State Agency will serve as the lead, the District ~~will~~shall enter into Contracts with Architects, ~~Engineers,~~ Photogrammetrists, Transportation Planners, Engineers, or Land Surveyors for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for that ~~Public Improvement~~public improvement, and the State Contracting Agency shall utilize the two-tiered selection process described below to obtain these Contracts with Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors.

(2) Tier One. State that the District shall, when feasible, identify no fewer than the three (3) most qualified Proposers responding to an RFP that was issued under the applicable selection procedures described in PPS 48-0210 (Informal Selection Procedures) and 48-0220 (Formal Selection Procedures), or from among Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors identified under PPS 48-0200 (Direct Appointment Procedure), and shall notify the District of the Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors selected.

(3) Tier Two. In accordance with the qualifications-based selection requirements of ORS 279C.110, the District shall either:

(a) Select an Architect, Engineer, Photogrammetrist, Transportation Planner, or Land Surveyor from the State Contracting Agency's list of Proposers to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for the District's public improvement; or

(b) Select an Architect, Engineer, Photogrammetrist, Transportation Planner, or Land Surveyor to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for the District's Public Improvement through an alternative process adopted by the District consistent with the provisions of the applicable RFP, if any, and these ~~Division~~division 48 ~~Rules~~rules. The District's alternative process ~~must~~shall be described in the applicable RFP, may be structured to take into account the unique circumstances of ~~the particular procurement of~~ the District, and may include provisions to allow the District to perform its tier-two responsibilities efficiently and economically, alone or in cooperation with other Local Contracting Agencies. The District's alternative process may include, but is not limited to, one or more of the following methods:

(A) A general ~~Written~~written direction from the District to the State Contracting Agency, prior to the advertisement of a ~~Procurement~~procurement or series of ~~Procurements~~procurements, or during the course of the ~~Procurement~~procurement or series of ~~Procurements~~procurements, that the District's tier two selection shall be the ~~highest ranked~~highest ranked firm identified by the State Contracting Agency during the tier one process, and that no further coordination or consultation with the District is required. However, the District may provide ~~Written~~written notice to the State Contracting Agency that the District's general ~~Written~~written direction is not to be applied for a particular ~~Procurement~~procurement and describe the process that the District ~~will~~shall utilize for the particular ~~Procurement~~procurement. In order for a ~~Written~~written direction from the District consistent with this section to be effective for a particular ~~Procurement~~procurement, it ~~must~~shall be received by the Contracting Agency with adequate time for the State

Contracting Agency to revise the RFP in order for Proposers to be notified of the tier two process to be utilized in the ~~Procurement~~procurement. In the event of a multiple ~~Award~~award under the terms of the applicable ~~Procurement~~procurement, the ~~Written~~written direction from the District may apply to the ~~highest ranked~~highest ranked Proposers that are selected under the terms of the ~~Procurement~~procurement document.

(B) An intergovernmental agreement between the District and the Contracting Agency outlining the alternative process that the District has adopted for a ~~Procurement~~procurement or series of ~~Procurements~~procurements.

(C) Where multiple Local Government Contracting Agencies are involved in a two-tiered selection procedure, the Local Government Contracting Agencies may name one or more authorized representative(s) to act on behalf of all the Local Government Contracting Agencies, whether the Local Government Contracting Agencies are acting collectively or individually, to select the Architect, Engineer, Photogrammetrist, Transportation Planner, or Land Surveyor to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services under the tier two selection process. In the event of a multiple ~~Award~~award under the terms of the applicable ~~Procurement~~procurement, the authorized representative(s) of the Local Contracting Agencies may act on behalf of the District to select the ~~highest ranked~~highest ranked firms that are required under the terms of the ~~Procurement~~procurement document, as part of the tier two selection process.

(4) In the event the State Contracting Agency has made a multiple award of Price Agreements pursuant to OAR 137-048-0270, with that multiple award of Price Agreements meeting the tier-one requirements of ORS 279C.125 and this rule, the District shall make its tier-two selection of an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor for a project-specific work order or task order from the Consultants who have executed Price Agreements with the State Contracting Agency, in accordance with the work order or task order assignment procedures established by the State Contracting Agency in the Price Agreements. If the District elects to select an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for District's public improvement through an alternative process adopted by the District, the requirements of that alternative process ~~must~~shall be specified in the RFP, if any, in the executed Price Agreements, or in the project-specific work order or task order assignment procedures provided to the Consultants who have executed Price Agreements, at the time the selection of a Consultant is made for the project-specific work order or task order.

(5) The State Contracting Agency shall thereafter begin Contract negotiations with the selected Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor in accordance with the negotiation provisions in PPS 48-0200 (Direct Appointment Procedure), 48-0210 (Informal Selection Procedure, or 48-0220 (Formal Selection Procedure) as applicable.

(6) Nothing in these ~~Division~~division 48 ~~Rules~~rules should be construed to deny or limit the District's ability to contract directly with Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors pursuant to ORS 279C.125(4) through a selection process established by the District.

PPS 48-0270 Price Agreements

(1) The District may establish Price Agreements for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services when the District cannot determine the precise quantities of those ~~Services that~~services which the District ~~will~~shall require over a specified time period.

(2) When establishing Price Agreements under this ~~Rule~~rule, the District shall select no fewer than three Consultants, when feasible. The selection procedures for establishing Price Agreements shall be in accordance with PPS 48-0130(1) or 48-0130(2), as applicable. The District may select a single Consultant when a Price Agreement is ~~Awarded~~awarded to obtain ~~Services~~services for a specific ~~Project~~project or a closely-related group of ~~Projects~~projects.

(3) In addition to any other applicable solicitation requirements set forth in these ~~Division~~division 48 ~~Rules~~rules, solicitation materials and the terms and conditions for a Price Agreement for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services must~~services shall:

(a) Include a scope of ~~Services~~services, menu of ~~Services~~services, a specification for ~~Services~~services or a similar description of the nature, general scope, complexity, and purpose of the procurement that will reasonably enable a prospective ~~Bidder~~bidder or Proposer to decide whether to submit a ~~Bid~~bid or ~~Proposal~~proposal;

(b) Specify whether the District intends to ~~Award~~award a Price Agreement to one Consultant or to multiple Consultants. If the District ~~will Award~~shall award a Price Agreement to more than one Consultant, the Solicitation Document and Price Agreement shall describe the criteria and procedures the District ~~will~~shall use to select a Consultant for each individual work order or task order. Subject to the requirements of ORS 279C.110, the criteria and procedures to assign work orders or task orders that only involve or predominantly involve Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services are at the District's sole discretion; provided, however, in circumstances where a direct ~~Contract~~contract is not permitted under PPS 48-0200 and a state agency is conducting the solicitation, the selection criteria cannot be based on pricing policies, pricing ~~Proposals~~proposals, or other pricing information, including the number of hours proposed for the ~~Services~~services required, expenses, hourly rates, and overhead. In accordance with PPS 48-0130(2) applicable to Related ~~Services~~services procurements, the selection criteria and procedures may be based solely on the qualifications of the Consultants, solely on pricing information, or a combination of both qualifications and pricing information. Pricing information for the District's solicitation of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services, or any Contracting Agency's solicitation of Related services, may include the number of hours proposed for the Related ~~Services~~services required, expenses, hourly rates, the number of hours, overhead, and other price factors. Work order or task order assignment procedures under Price Agreements may include direct appointments, subject to the requirements of PPS 48-0200; and

(c) Specify the maximum term for assigning Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services under the Price Agreement.

(4) When the ~~solicitation~~Solicitation materials and terms and conditions for a Price Agreement involve a two-tiered selection process pursuant to ORS 279C.125 and OAR 137-048-0260(1), the ~~solicitation~~Solicitation materials and terms and conditions for a Price Agreement ~~must~~shall meet the requirements of subsection (3) of this rule, except as provided in this subsection (4). In the event of a planned multiple award of Price Agreements under a ~~Procurement, the solicitation~~procurement, the Solicitation materials and terms and conditions for the Price Agreements ~~must~~shall include assignment procedures for project-specific work orders or task orders that will allow the District to select an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor for a work order or task order from the Consultants who have executed Price Agreements with the State Contracting Agency. If the District decides to use an alternative process adopted by the District for its tier-two selection process, however, the District's alternative process ~~must~~shall be described in the ~~solicitation~~Solicitation materials and terms and

conditions supporting the initial award of Price Agreements, in the executed Price Agreements, or in the project-specific assignment procedures for a work order or task order that are provided to the firms who have executed Price Agreements, at the time of selection for the project-specific work order or task order. The District's alternative process may be structured to take into account the unique circumstances of the District and may include provisions to allow the District to perform its tier two responsibilities efficiently and economically, alone or in cooperation with other Local Contracting Agencies, including, but not limited to, the methods specified in PPS 48-0260(3)(b).

(5) All Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services assigned under a Price Agreement require a ~~Written~~written work order or task order issued by the District. Any work orders or task orders assigned under a Price Agreement ~~must~~shall include, at a minimum, the following:

(a) (a) The specific scope of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services or Related services to be provided by the Consultant;

(b) ~~**(a)**~~ The Consultant's performance obligations and performance schedule;

(c) ~~**(b)**~~ The payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services required under the work order or task order that is fair and reasonable to the District, as determined solely by the District, taking into account the value, scope, complexity, and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services;

(d) ~~**(c)**~~ Language that incorporates all applicable terms and conditions of the Price Agreement into the work order or task order; and

(e) ~~**(d)**~~ Any other provisions the District believes to be in the District's best interest.

PPS 48-0280 FSCP

The Superintendent may establish an FSCP for a particular class of Architectural, Engineering, Land Surveying or Related ~~Services~~services where the need for such ~~Services~~services is ongoing in nature, where it is difficult to anticipate the ~~Service~~service need, time, amount, or availability of Contractors, or where ~~Service~~service needs arise so quickly it is not practical or cost-effective to conduct individual solicitations under these ~~Rules~~rules. An FSCP shall comply with the following requirements:

(1) Solicitation to Create an FSCP. An FSCP can be established pursuant to an RFQ, an RFP, ~~Competitive Quotes~~competitive quotes, or such other method of competitive ~~Procurement~~procurement as the Superintendent deems to be appropriate given the ~~Services~~services to be procured.

(a) The Superintendent shall document the reasons for establishing an FSCP consistent with this ~~Rule~~rule in the ~~Procurement File~~Solicitation file. This documentation ~~must~~shall be reviewed and approved by the Director of ~~Procurement~~procurement as demonstrating that the procurement qualifies for use of an FSCP under these ~~Rules~~rules.

(b) The solicitation shall describe the class of Contracts that can be ~~Awarded~~awarded to Contractors in the FSCP. The District may not ~~Award~~award Contracts outside of the designated class of Contracts to the FSCP.

(c) The solicitation shall set forth the number of Contractors that will be appointed to the FSCP, the selection criteria, and the methodology for ranking the requests and selecting the Contractors to be appointed to the pool.

(d) The solicitation may request a binding Price ~~Quote~~quote or rate that will become part of a subsequent Contract or may establish the pool based on qualifications alone.

(e) The solicitation may set or limit the value of the ~~Work~~work to be performed by the FSCP.

(2) Contracting for Work From an FSCP.

(a) Once an FSCP has been established, the Superintendent may negotiate Contracts directly with Contractors in the pool to perform individual ~~Projects~~projects within the established scope of the ~~Work~~work. Upon creation of the FSCP, the Superintendent will generate a random list of names of the Contractors appointed to the FSCP. Contracts for individual ~~Projects~~projects will be offered, negotiated, and ~~Awarded~~awarded sequentially to Contractors on the FSCP list. Once the Superintendent has Offered Work to all the Contractors in the FSCP (whether or not some or all of the Contractors have accepted the Offer), a new random FSCP list will be generated. The Superintendent may Offer Work out of sequence in the following circumstances:

(A) The Contractor that is next on the list declines or is unavailable during the time period needed.

(B) Contract negotiations with the next-listed Contractor are not successful.

(C) The ~~Project~~project is for Work that is a continuation of, addition to, or is connected with Work previously performed by a Contractor on the list, and such prior experience means that it is in the best interest of the District to ~~Award~~award the Contract to the Contractor that performed the prior Work.

(D) The nature of the ~~Project~~project is such that the Superintendent determines that an additional analysis of Contractor capability is required. In order to make this determination, the Superintendent shall conduct an informal ~~Procurement~~procurement pursuant to PPS 46-0510 limited to Contractors in the FSCP.

If a Contractor is selected outside of the sequence, the reason shall be documented in ~~Writing~~writing in the ~~Procurement File~~Solicitation file.

(b) An FSCP established under this section will expire after three years from the date of Closing of the ~~solicitation~~Solicitation, unless reestablished as provided in this ~~Rule~~rule.

(c) Appointment to an FSCP does not guarantee that a Contractor will receive a particular amount of ~~Work~~work or any Work at all.

(d) The establishment of an FSCP does not preclude the Superintendent from procuring Work that would otherwise fall within the FSCP class of ~~Work~~work from other Contractors through any other ~~Procurement~~procurement method authorized under these ~~Rules~~rules.

(e) At any time during the term of an FSCP, the Superintendent may request confirmation from a Contractor or Contractors in the pool that the Contractor continues to maintain the skills, personnel, or other capability needed to perform the class of ~~Work~~work.

POST-SELECTION CONSIDERATIONS

PPS 48-0300 Prohibited Payment Methodology; Purchase Restrictions

(1) Except as otherwise allowed by law, a Contracting Agency shall not enter into any Contract which includes compensation provisions that expressly provide for payment of:

(a) Consultant's costs under the Contract plus a percentage of those costs; or

(b) A percentage of the project construction costs or total project costs.

(2) ~~**(1)**~~ Except as otherwise allowed by law, the District shall not enter into any Contract in which:

(a) The compensation paid under the Contract is solely based on or limited to the Consultant's hourly rates for the Consultant's personnel working on the ~~Project~~project, and reimbursable expenses incurred during the performance of ~~Work~~work on the ~~Project~~project (sometimes referred to as a "time and materials" Contract); and

(b) The Contract does not include a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services required under the Contract.

(3) ~~**(2)**~~ Except in cases of Emergency or in the particular instances noted in the ~~sections~~subsections below, the District shall not purchase any building materials, supplies, or equipment for any building, structure, or facility constructed by or for the District from any Consultant under a Contract with the District to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services for the building, structure, or facility. This prohibition does not apply if either of the following circumstances exists:

(a) Consultant is providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services under a Contract with the District to perform Design-Build ~~Services or ESPC Services~~services or Energy Savings Performance Contract services (see PPS 49-0670 and 49-0680); or

(b) That portion of the Contract relating to the acquisition of building materials, supplies, or equipment was ~~Awarded~~awarded to Consultant pursuant to applicable law governing the ~~Award~~award of such a Contract.

PPS 48-0310 Expired or Terminated Contracts; Reinstatement

(1) If the District enters into a Contract for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services and that Contract subsequently expires or is terminated, the District may proceed as follows, subject to the requirements of ~~Section~~section (2) of this ~~Rule~~rule:

(a) Expired Contracts. If the Contract has expired as the result of ~~Project~~project delay caused by the District or caused by any other occurrence outside the reasonable control of the District or the Consultant, and if no more than one year has passed since the Contract expiration date, the District may ~~Amend~~amend the Contract to extend the Contract expiration date, revise the description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services required under the Contract to reflect any material alteration of the ~~Project~~project made as a result of the delay, and revise the applicable performance schedule. Beginning on the effective date of the ~~Amendment~~amendment, the District and the Consultant shall continue performance under the Contract as ~~Amended~~amended; or

(b) Terminated Contracts. If the District or both parties to the Contract have terminated the Contract for any reason and if no more than one year has passed since the Contract termination date, then the District may enter into a new Contract with the same Consultant to perform the remaining Architectural, Engineering~~, Photogrammetric Mapping, Transportation Planning or~~ and Land Surveying ~~Services~~services or Related ~~Services~~services not completed under the ~~Original~~original Contract, or to perform any remaining Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services not completed under the Contract as adjusted to reflect a material alteration of the ~~Project~~project.

(2) The District may proceed under either ~~Sections~~subsection (1)(a) or subsection (1)(b) of this ~~Rule~~rule only after making ~~Written Findings that Amending~~written findings that amending the existing Contract or entering into a new Contract with the Consultant will:

(a) Promote efficient use of public funds and resources and result in substantial cost savings to the District;

(b) Protect the integrity of the Public Contracting process and the competitive nature of the ~~Procurement~~procurement process by not encouraging favoritism or substantially diminishing competition in the ~~Award~~award of Contracts; and

(c) Result in a Contract that is still within the scope of the final form of the original ~~Procurement~~procurement document.

PPS 48-0320 Contract Amendments

(1) The District may amend any Contract if the District, in its sole discretion, determines that the ~~Amendment~~amendment is within the scope of the Solicitation Document and that the ~~Amendment~~amendment would not materially impact the field of competition for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying ~~Services~~services or Related ~~Services~~services described in the final form of the original ~~Procurement~~procurement document. In making this determination, the District shall consider potential alternative methods of procuring the ~~Services~~services contemplated under the proposed ~~Amendment~~amendment. An ~~Amendment~~amendment would not materially impact the field of competition for the ~~Services~~services described in the Solicitation Document if the District reasonably believes that the number of Proposers would not significantly increase if the ~~Procurement~~procurement document were re-issued to include the additional ~~Services~~services.

(2) The District may ~~Amend~~amend any Contract if the additional ~~Services~~services are required by reason of existing or new laws, rules, regulations, or ordinances of federal, state, or local agencies which affect performance of the Original Contract.

(3) All ~~Amendments~~amendments to Contracts ~~must be in Writing, must be Signed~~shall be in writing, shall be signed by an authorized representative of the Consultant and the District, and ~~must~~shall receive all required approvals before the ~~Amendments~~amendments will be binding on the District.

(4) Amendments That Would Cause a Contract to Exceed the Superintendent's Authority. An amendment to a contract approved by the Superintendent that would cause the total Contract Price to exceed the Superintendent's delegated authority to approve contracts under PPS 45-0200 ~~must~~shall be approved by the School Board except as provided in PPS 45-0200.

(5) Reporting Requirement for Amendments/Change Orders That Exceed 125% of Original Contract Price.

(a) A Contract Amendment or Change Order or cumulative Contract Amendments or Change Orders that increase the total Contract Price to greater than one hundred twenty five percent (125%) of the original Contract Price shall be reported to the School Board, except in any of the following circumstances:

(A) The Original Contract Price does not exceed $500,000.

(B) The Superintendent determines that the Amendment, additional scope, or alternative work was contemplated in the original procurement and provided for in the original Contract, and the School Board previously approved the entire scope and/or maximum renewal terms. (Examples include a solicitation and contract that provides for renewal or extension for subsequent terms or a contract that specifically allows for alternates or additional work.)

(b) Contracts subject to the reporting requirement under this Rule shall be reported to the School Board a second time if subsequent Amendments or Change Orders increase the total Contract Price to greater than one hundred and fifty percent (150%) of the original Contract Price.

(c) Contracts subject to the reporting requirement under this Rule shall be reported to the Board at the next regular business meeting of the Board following approval of the amendment or change triggering the reporting requirement. The report shall include an explanation of the basis for the amendment or change order.

END OF DIVISION 48

PPS DIVISION 49

DISTRICT PUBLIC CONTRACTING RULES FOR CONTRACTS FOR PUBLIC IMPROVEMENTS AND/OR PUBLIC WORKS

PPS 49-0100 Application

~~These Division 49 Rules are intended to implement the requirements of ORS 279C in regard to Public Improvements, Public Works, and construction services.~~

(1) These division 49 rules apply to Public Improvement Contracts as well as Public Contracts for ordinary construction services that are not Public Improvements. The rules that apply specifically to Public Improvement Contracts are so identified. These division 49 rules apply to Contracts for Construction Manager/General Contractor services, whether the initial Contract between the parties includes both pre-construction services and construction services, or only contains pre-construction services, since the underlying procurement for Construction Manager/General Contractor services authorizes the District to enter into Contracts for both pre-construction and construction services.

(2) These division 49 rules address matters covered in ORS Chapter 279C (with the exception of Architectural, Engineering, Land Surveying and Related services, all of which are addressed in division 48 of the rules).

PPS 49-0110 Policies

In addition to the general Code policies ~~of the Code as~~ set forth in ORS 279A.015, the ~~ORS~~ 279C.300 policy on competition and the ~~ORS~~ 279C.305 policy on least-cost for Public Improvements apply to these ~~Division~~division 49 ~~Rules~~rules.

PPS 49-0120 Definitions

(3) ~~**(1) "**~~**Conduct Disqualification**~~**"** means a disqualification~~ means a Disqualification under ORS 279C.440 in accordance with PPS 49-0370.

(4) ~~**(2) "**~~**Disqualification**~~**"** means the preclusion of a Person from contracting with the District for a period of time in accordance with PPS 49-0370.

(5) ~~**(3) "**~~**Foreign Contractor**~~**"** means a Contractor that is not domiciled in or registered to do business in the State of Oregon. See PPS 49-0490.

(6) ~~**(4) "**~~**Notice**~~**"** means any of the alternative forms of Public announcement of ~~Procurements~~procurements, as described in PPS 49-0210.

(7) ~~**(5) "**~~**Work**~~**"** means the furnishing of all services, materials, equipment, labor and incidentals necessary to successfully complete any individual item or the entire Contract and the carrying out and completion of all duties and obligations imposed by the Contract.

PPS 49-0130 Competitive Bidding Requirement

The District ~~must~~shall solicit Bids for Public Improvement Contracts by Invitation to Bid ("ITB"), except as otherwise allowed or required pursuant to ORS 279C.335 on ~~Competitive Bidding~~competitive bidding exceptions and exemptions, ORS 279A.030 on federal law overrides, or ORS 279A.100 on affirmative action. Also see PPS 49-0600 through 49-0690 regarding the use of Alternative Contracting Methods, use of Alternative Contracting Methods for projects which are excepted or exempt from the competitive bidding process, use of Alternative Contracting Methods within the competitive bidding process and the process for obtaining an exemption from competitive bidding requirements.

PPS 49-0140 Contracts for Construction Other Than Public Improvements~~; Emergency Construction Contracts~~

(1) ~~Procurement~~procurement Under ORS Chapter 279B. Pursuant to ORS 279C.320, Public Contracts for construction services that are not Public Improvement Contracts may be procured and ~~Amended~~amended as general trade ~~Services~~services under the provisions of ORS 279B rather than under the provisions of ORS 279C and these ~~Division~~division 49 ~~Rules~~rules.

(2) Emergency Construction Contracts. Emergency Contracts for construction services are not Public Improvement Contracts and are regulated under ORS 279B.080. See PPS 49-0150.

(3) Application of ORS Chapter 279C. Non-procurement provisions of ORS Chapter 279C and these ~~Division~~division 49 ~~Rules~~rules may still be applicable to the resulting Contracts. See, for example, particular statutes on ~~disqualification (ORS~~ Disqualification (279C.440, 445, ~~and~~ 450); Legal Actions (~~ORS~~ 279C.460 and 465); Required Contract Conditions ~~(ORS~~ 279C.505, 515, 520, and 530); Hours of Labor (~~ORS~~ 279C.540 and 545); Retainage (~~ORS~~ 279C.550, 560, ~~and~~ 565 and 570); Subcontracts (~~ORS~~ 279C.580); Action on Payment Bonds (~~ORS~~ 279C.600, 605, 610, 615, 620, ~~and~~ 625); Termination (ORS 279C.650, 655, 660, ~~and~~ 670); and all of the Prevailing ~~Rate of~~ Wage Rates requirements (~~ORS~~ 279C.800 through ~~279C~~.870) for Public Works Contracts.

PPS 49-0146 Class Exemptions; Public Improvement Contracts

The Local Contract Review Board declares the following Contracts listed in this section as classes of Public Improvement Contracts exempt from ~~Competitive Bidding~~competitive bidding.

(1) Donated Public Improvements. The Superintendent may authorize a Person to construct a Public Improvement without ~~Competitive~~competitive Bidding or other ~~Competitive~~competitive process and regardless of dollar amount, if:

(a) The Person has agreed to donate all or a significant portion of the materials or ~~Services~~services necessary to construct the Public Improvement or perform the ~~Service~~service; and

(b) The Person enters into a license or agreement with the District whereby the Person agrees to comply with the Public Contract requirements applicable to the particular ~~Project~~project and any requirements that the District deems necessary or beneficial to protect the District.

(2) Benson House Program Contracts. The Superintendent may directly negotiate a Public Improvement Contract without complying with the ~~Competitive Procurement~~competitive procurement requirements of these ~~Rules~~rules where the Contract is for the purpose of supporting the Benson Polytechnic High School Building Construction Class, and all or a portion of the Contract Price is discounted or donated to the District.

(3) Purchases Under Contracts Solicited by Nonprofit ~~Procurement~~procurement Organizations of Which the District Is a Member. The Superintendent may purchase Public Improvements under a Contract or ~~Procurement~~procurement solicited by a Nonprofit ~~Procurement~~procurement Organization of which it is a member. For the purposes of this Special ~~Procurement~~procurement, such a Nonprofit ~~Procurement~~procurement Organization will be considered a "Contracting Purchasing Group" under PPS 46-0400 through 46-0480, and a ~~Procurement must~~procurement shall comply with the requirements for Joint Cooperative ~~Procurements~~procurements pursuant to PPS 46-0420.

(4) FSCP. The Superintendent may establish an FSCP for a particular class of Public Improvements where the need for such Work is ongoing in nature, where it is difficult to anticipate the ~~Service~~service need, time, amount, or availability of Contractors, or where ~~Service~~service needs arise so quickly that it is not practical or cost-effective to conduct individual solicitations under these ~~Rules~~rules. An FSCP shall comply with the following requirements:

(a) Solicitation to Create an FSCP. An FSCP for Public Improvements shall be solicited based on the total cost of the ~~Work~~work estimated to be ~~Awarded~~awarded through the FSCP during its life. If the total amount of the ~~Work~~work is estimated to be over $100,000, the Superintendent shall use a formal RFQ process pursuant to PPS 49-0645 or an RFP process pursuant to PPS 49-0650. If the total amount of the ~~Work~~work is $100,000 or less, the FSCP may be solicited pursuant to the ~~Intermediate Procurement~~intermediate procurement process set forth in PPS 49-0160.

(A) The Superintendent shall document the reasons for establishing an FSCP consistent with this ~~Rule~~rule in the ~~Procurement File~~Solicitation file. This documentation ~~must~~shall be reviewed and approved by the Director of ~~Procurement~~procurement as demonstrating that the ~~Procurement~~procurement qualifies for use of an FSCP under these ~~Rules~~rules.

(B) The solicitation shall describe the class of Contracts that can be ~~Awarded~~awarded to Contractors in the FSCP. The District may not ~~Award~~award Contracts outside of the designated class of Contracts to the FSCP.

(C) The solicitation shall set forth the number of Contractors that will be appointed to the FSCP, the selection criteria, and the methodology for ranking the requests and selecting the Contractors to be appointed to the pool.

(D) The solicitation may request a binding Price ~~Quote~~quote or time and materials rate that will become part of a subsequent Contract or may establish the pool based on qualification alone.

(E) The solicitation may set or limit the value of the work performed by the FSCP.

(b) Contracting for Work from an FSCP. Once an FSCP has been established, the Superintendent may negotiate Contracts directly with Contractors in the pool to perform specific Work within the established scope of the ~~Work~~work. Upon creation of the FSCP, the Superintendent will generate a random list of names of the Contractors appointed to the FSCP. Contracts for individual Work will be Offered, negotiated, and ~~Awarded~~awarded sequentially to Contractors on the FSCP list. Once the Superintendent has Offered a Contract to all the Contractors in the FSCP (whether or not some or all of the Contractors have accepted the Offer), a new random FSCP list will be generated. The Superintendent may offer a Contract to Contractors out of sequence in the following circumstances:

(A) The Contractor that is next on the list declines or is unavailable during the time period needed.

(B) Contract negotiations with the next-listed Contractor are not successful.

(C) The ~~Project~~project is for a Public Improvement that is a continuation of, an addition to, or connected with a Public Improvement previously constructed by a Contractor on the list, and such prior experience means that it is in the best interest of the District to ~~Award~~award the Contract to the Contractor that performed the prior ~~Goods~~goods.

(D) The nature of the ~~Project~~project is such that the Superintendent determines that an additional analysis of Contractor capability or capacity is required. In order to make this determination, the Superintendent shall conduct an ~~Intermediate Procurement~~intermediate procurement pursuant to PPS 49-0160 limited to Contractors in the FSCP.

If a Contractor is selected outside of the sequence, the reason shall be documented in ~~Writing~~writing in the ~~Procurement File~~Solicitation file.

(c) An FSCP established under this section will expire after three years from the date of Closing of the ~~solicitation~~Solicitation, unless reestablished as provided in this ~~Rule~~rule.

(d) Appointment to an FSCP does not guarantee that a contractor will receive a particular amount of work or orders or any work or orders at all.

(e) The establishment of an FSCP does not preclude the Superintendent from procuring public improvements that would otherwise fall within the FSCP from other contractors through any other ~~Procurement~~procurement method authorized under these ~~Rules~~rules.

(f) At any time during the term of an FSCP, the Superintendent may request confirmation from a contractor or contractors in the pool that the Contractor continues to maintain the skills, personnel, inventory or other capability needed to perform the class of work or provide the required goods.

(g) If an FSCP for public improvements is reasonably estimated to include ~~Projects~~projects that will total over $50,000 during the life of the FSCP, public improvement contracts ~~Awarded~~awarded to Contractors on an FSCP list shall require the payment of prevailing wages pursuant to ORS 279C.800 through 279C.870.

(5) Price Agreements.

(a) Price Agreements may be established for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining District requirements for volume discounts, creating standardization among agencies, and reducing lead time for ordering. The Superintendent may enter into Price Agreements to purchase Public Improvements for an anticipated need at a predetermined price, but the Contract ~~must~~shall be solicited by a ~~Competitive Procurement~~competitive procurement process pursuant to the requirements of these ~~Rules~~rules based on the total Contract Price.

(b) The Superintendent may purchase Public Improvements from a Contractor ~~Awarded~~awarded a Price Agreement without first undertaking additional competitive solicitation up to the amount set forth in the Price Agreement.

(c) The Superintendent may use the Price Agreement entered into by another Oregon Public Agency when the Original Contract was let pursuant to PPS 46-0420.

(d) The term of the Price Agreement, including renewals, may not exceed the term stated in the original solicitation.

(e) If a Price Agreement for Public Improvements will exceed $50,000 over the term of the Agreement, the Contract shall require the payment of prevailing wages pursuant to ORS 279C.800 through 279C.870.

(6) Expedited Contracting Process in Order to Access State, Federal, or Grant Funding. The Superintendent may waive any or all of the ~~solicitation~~Solicitation procedures under this ~~Division~~division 49 in the following circumstances:

(a) The state or federal government or granting entity has adopted a funding program or made funding available to assist the District in constructing Public Improvements and has attached a time deadline to have a Contract in place, a ~~Project~~project underway, or a ~~Project~~project completed in order for the District to access or be eligible for those funds. Such programs include, without limitation, the American Recovery and Reinvestment Act of 2009 ("ARRA") and similar programs.

(b) The Superintendent determines that compliance with the ~~solicitation~~Solicitation procedures in this ~~Division~~division 49 could jeopardize the District's ability to access or be eligible for such funding under the timeline established by the state or federal government or granting entity.

(c) The Superintendent provides for an alternative contracting process.

(d) The reasons for and extent of the waiver are documented in the ~~Procurement File~~Solicitation file.

(e) Notwithstanding PPS 45-0200, the School Board hereby authorizes the Superintendent to enter into and approve payment on Contracts subject to this exemption in any dollar amount, but will report the nature and amount of the Contract to the School Board if the Contract is over the Superintendent's delegated authority as set forth in PPS 45-0200(4)(b)(A).

PPS 49-0150 Emergency Contracts; Bidding and Bonding Exemptions

(1) Emergency Declaration. The Superintendent may declare that ~~emergency~~Emergency circumstances exist that require prompt execution of a Public Contract for ~~emergency~~Emergency construction or repair Work. The declaration shall be by a ~~Written~~written declaration that describes the circumstances creating the ~~emergency~~Emergency and the anticipated harm from failure to enter into an Emergency Contract. The Emergency ~~Declaration~~declaration shall be kept on file as a public record.

(2) Competition for Emergency Contracts. Pursuant to ORS 279C.320(1), Emergency Contracts are regulated under ORS 279B.080, which provides that, for an Emergency ~~Procurement~~procurement of construction services, the District shall ensure competition that is reasonable and appropriate under the ~~emergency~~Emergency circumstances, and may include ~~Written Requests~~written requests for Offers, oral ~~Requests~~requests for Offers, or direct appointments without competition in cases of extreme necessity, in whatever solicitation time periods the Superintendent considers reasonable in responding to the Emergency.

(3) Emergency Contract Scope. Although no dollar limitation applies to Emergency Contracts, the scope of the Contract ~~must~~shall be limited to Work that is necessary and appropriate to remedy the conditions creating the ~~emergency~~Emergency as described in the declaration.

(4) Emergency Contract Modification. Emergency Contracts may be modified by ~~Change Order or Amendment~~change order or amendment to address the conditions described in the original declaration or an ~~Amended~~amended declaration that further describes additional Work necessary and appropriate for related ~~emergency~~Emergency circumstances. Emergency contract modifications are not subject to the requirements or limitations of PPS 47-0800 or PPS 49-0910.

(5) Excusing Bonds. Pursuant to ORS 279C.380(4) and this ~~Rule~~rule, the Emergency ~~Declaration~~declaration may also state that the District waives the requirement of furnishing a performance bond and payment bond for the Emergency Contract. After making such an Emergency ~~Declaration~~declaration, those bonding requirements are excused for the ~~Procurement~~procurement, but this Emergency ~~Declaration~~declaration does not affect the separate Public Works bond requirement for the benefit of BOLI in enforcing prevailing wage rate and overtime payment requirements. See PPS 49-0815 and BOLI rules at OAR 839-025-0015.

PPS 49-155 Small Procurements. A public improvement contract with a value less than $25,000 may be solicited by any method that the Superintendent deems in the best interests of the District, including direct negotiation.

PPS 49-0160 ~~Intermediate Procurements~~intermediate procurements; Competitive ~~Quotes~~quotes and Amendments

(1) General. Public Improvement Contracts estimated by the District not to exceed $100,000 may be ~~Awarded~~awarded in accordance with ~~Intermediate-level Procurement~~intermediate level procurement procedures for ~~Competitive Quotes~~competitive quotes established by this ~~Rule~~rule.

(2) Selection Criteria. The selection criteria may be limited to price or some combination of price, experience, specific expertise, availability, ~~Project~~project understanding, ~~Contractor~~contractor capacity, responsibility, and similar factors.

(3) Request for ~~Quotes~~quotes. The District ~~must~~shall utilize ~~Written Requests for Quotes~~written requests for quotes whenever reasonably practicable. Written ~~Requests for Quotes must~~requests for quotes

shall include the selection criteria to be utilized in selecting a Contractor and, if the criteria are not of equal value, their relative value or ranking. When requesting ~~Quotes~~quotations orally, prior to requesting the ~~Price Quote~~price quote the District shall state any additional selection criteria and, if the criteria are not of equal value, their relative value. For Public Works Contracts, oral ~~quotes~~quotations may ~~only~~ be utilized only in the event that ~~Written~~written copies ~~of or references to~~ the prevailing wage rates are not required by BOLI (e.g., if the total project cost is $50,000 or less or is not otherwise subject to payment of prevailing wages).

(4) Number of ~~Quotes~~quotes; Record Required. The District ~~must~~shall seek at least three ~~Competitive Quotes~~competitive quotes and keep a ~~Written~~written record of the sources and amounts of the ~~Quotes~~quotes received. If three ~~Quotes~~quotes are not reasonably available, the District ~~must~~shall make a ~~Written~~written record of the effort made to obtain those ~~Quotes~~quotes.

(5) ~~Award~~award. If ~~Awarded~~awarded, the District ~~must Award~~shall award the Contract to the prospective Contractor whose ~~Quote~~quote will best serve the interests of the District, taking into account the announced selection criteria. If ~~Award~~award is not made to the Offeror offering the lowest price, the District ~~must~~shall make a ~~Written~~written record of the basis for ~~Award~~award.

(6) Amendments. Amendments of Intermediate-level Public Improvement Contracts that exceed the thresholds stated in ~~Section~~section (1) of this ~~Rule~~rule are specifically authorized by the Code when made in accordance with PPS 49-0910. Accordingly, such ~~Amendments~~amendments are not considered new ~~Procurements~~procurements and do not require an exemption from ~~Competitive Bidding~~competitive bidding.

FORMAL PROCUREMENT RULES

PPS 49-0200 Solicitation Documents; Required Provisions; Assignment or Transfer

(1) Solicitation Document. Pursuant to ORS 279C.365 and this ~~Rule~~rule, the Solicitation Document ~~must~~shall include the following:

(a) General Information.

(A) Identification of the Public Improvement ~~Project~~project, including the character of the ~~Work~~work, and applicable plans, specifications, and other Contract ~~Documents~~documents;

(B) Notice of any pre-Offer conference as follows:

(i) The time, date, and location of any pre-Offer conference; ~~and~~

(ii) Whether attendance at the conference will be mandatory or voluntary; and

(iii) That statements made by the District's representatives at the conference are not binding on the District unless confirmed by ~~Written~~written Addendum.

(C) The deadline for submitting mandatory prequalification applications and the class or classes of ~~Work~~work for which Offerors ~~must~~shall be prequalified if prequalification is a requirement;

(D) The name and title of the District ~~Person~~official designated for receipt of Offers and ~~the~~ contact Person (if different);

(E) Instructions and information concerning the form and submission of Offers, including the address of the office to which Offers ~~must~~shall be delivered, any ~~Bid or Proposal~~bid or proposal security requirements, and any other required information or special information, e.g., whether Offers may be submitted by facsimile or electronic means (See PPS 49-0300 regarding ~~Facsimile~~facsimile Bids or Proposals and PPS 49-0310 regarding ~~Electronic Procurement~~electronic procurement);

(F) The time, date, and place of Opening;

(G) The time and date of Closing after which the District ~~will~~shall not accept Offers, which time ~~must~~shall be not less than five ~~Days~~days after the date of the last publication of the advertisement. Although a minimum of five ~~Days~~days is prescribed, the District is encouraged to use at least a 14-~~Day~~day solicitation period when feasible. If the District is issuing an ITB that may result in a Public Improvement Contract with a value in excess of $100,000, the District ~~must~~shall designate a time of Closing consistent with the first-tier subcontractor disclosure requirements of ORS 279C.370(1)(b) and PPS 49-0360. For timing issues relating to Addenda, see PPS 49-0250;

(H) The office where the ~~Specifications~~specifications for the ~~Work~~work may be reviewed;

(I) A statement that each ~~Bidder~~bidder to an ITB ~~must~~shall identify whether the ~~Bidder~~bidder is a "resident ~~Bidder~~bidder," as defined in ORS 279A.120;

(J) If the Contract resulting from a solicitation will be a Contract for a Public Work subject to ORS 279C.800 ~~through~~to 279C.870 or the Davis-Bacon Act (40 U.S.C. 3141 to 3148), a statement that no Offer will be received or considered by the District unless the Offer contains a statement by the Offeror as a part of its Offer that "Contractor agrees to be bound by and will comply with the provisions of ORS 279C.838, 279C.840, or 40 U.S.C. 3141 to 3148";

(K) A statement that the District ~~will~~shall not receive or consider an Offer for a Public Improvement Contract unless the Offeror is registered with the Construction Contractors Board or is licensed by the State Landscape Contractors Board as specified in PPS 49-0230;

(L) Whether a Contractor or a subcontractor under the Contract ~~must~~shall be licensed under ORS 468A.720 regarding asbestos abatement projects;

(M) Contractor's certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4) (see PPS 49-0440(3));

(N) How the District ~~will~~shall notify Offerors of Addenda and how the District ~~will~~shall make Addenda available (see PPS 49-0250); and

(O) When applicable, instructions and forms regarding First-Tier Subcontractor Disclosure requirements, as set forth in PPS 49-0360.

(b) Evaluation Process.

(A) A statement that the District may reject any Offer not in compliance with all prescribed Public Contracting procedures and requirements, including the requirement to demonstrate the ~~Bidder's~~bidder's responsibility under ORS 279C.375(3)(b), and may reject for ~~good cause~~Good Cause all Offers after finding that doing so is in the public interest.

(B) The anticipated solicitation schedule, deadlines, protest process, and evaluation process, if any;

(C) Evaluation criteria, including the relative value applicable to each criterion, that the District ~~will~~shall use to determine the Responsible ~~Bidder~~bidder with the lowest Responsive Bid (where ~~Award~~award is based solely on price) or the Responsible Proposer or Proposers with the best Responsive ~~Proposal~~proposal or Proposals (where use of ~~Competitive~~competitive Proposals is authorized under ORS 279C.335 and PPS 49-0620), along with the process the District ~~will~~shall use to determine acceptability of the ~~Work~~work;

(D) If the Solicitation Document is an Invitation to Bid, the District ~~must~~shall set forth any special price evaluation factors in the Solicitation Document. Examples of such factors include, but are not limited to, conversion costs, transportation cost, volume weighing, trade-

in allowances, cash discounts, depreciation allowances, cartage penalties, and ownership or ~~Life Cycle~~life cycle Cost formulas. Price evaluation factors need not be precise predictors of actual future costs; but to the extent possible, such evaluation factors ~~must~~shall be objective, reasonable estimates based on information the District has available concerning future use; and

(E) If the Solicitation Document is a Request for ~~Proposals~~proposal, the District ~~must~~shall refer to the additional requirements of PPS 49-0650; and

(c) Contract Provisions. The District ~~must~~shall include all Contract terms and conditions, including warranties, insurance, and bonding requirements, that the District considers appropriate for the Public Improvement ~~Project~~project. The District ~~must~~shall also include all applicable Contract provisions required by Oregon law as follows:

(A) Prompt payment to all Persons supplying labor or material, contributions to Industrial Accident Fund, and liens and withholding taxes (ORS 279C.505(1));

(B) Demonstrate that an employee drug testing program is in place (ORS 279C.505(2));

(C) If the Contract calls for demolition Work described in ORS 279C.510(1), a condition requiring the Contractor to salvage or recycle construction and demolition debris, if feasible and cost-effective;

(D) If the Contract calls for lawn or landscape maintenance, a condition requiring the Contractor to compost or mulch yard waste material at an approved site, if feasible and cost-effective (ORS 279C.510(2);

(E) Payment of claims by public officers (ORS 279C.515(1));

(F) Contractor and first-tier subcontractor liability for late payment on Public Improvement Contracts pursuant to ORS 279C.515(2), including the rate of interest;

(G) Person's right to file a complaint with the Construction Contractors Board for all Contracts related to a Public Improvement Contract (ORS 279C.515(3));

(H) Hours of labor in compliance with ORS 279C.520;

(I) Environmental and natural resources regulations (ORS 279C.525);

(J) Payment for medical care and attention to employees (ORS 279C.530(1);

(K) A Contract provision substantially as follows: "All employers, including Contractor, that employ subject workers who work under this Contract in the State of Oregon ~~must~~shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless such employers are exempt under ORS 656.126. Contractor ~~must~~shall ensure that each of its subcontractors complies with these requirements." (ORS 279C.530(2));

(L) Maximum hours, holidays, and overtime (ORS 279C.540);

(M) Time limitation on claims for overtime (ORS 279C.545);

(N) Prevailing wage rates (ORS 279C.800 through 279C.870);

(O) BOLI Public Works ~~Bond~~bond (ORS 279C.830(2)

(P) Retainage (ORS 279C.550 through 279C.570);

(Q) Prompt payment policy, progress payments, rate of interest (ORS 279C.570);

(R) Contractor's relations with subcontractors (ORS 279C.580);

(S) Notice of claim (ORS 279C.605);

(T) Contractor's certification of compliance with the Oregon tax laws in accordance with ORS 305.385; and

(U) Contractor's certification that all subcontractors performing Work described in ORS 701.005(2) (i.e., construction Work) will be registered with the Construction Contractors Board or licensed by the State Landscape Contractors Board in accordance with ORS 701.035 through 701.055 before the subcontractors commence Work under the Contract.

(2) Assignment or Transfer Restricted. Unless otherwise provided in the Contract, the Contractor ~~must~~shall not assign, sell, dispose of or transfer rights, ~~nor~~or delegate duties under the Contract, either in whole or in part, without the District's prior ~~Written~~written consent. Unless otherwise agreed by the District in ~~Writing~~writing, such consent ~~must~~shall not relieve the Contractor of any obligations under the Contract. Any assignee or transferee ~~must~~shall be considered the agent of the Contractor and be bound to abide by all provisions of the Contract. If the District consents in ~~Writing~~writing to an assignment, sale, disposal, or transfer of the Contractor's rights or delegation of Contractor's duties, the Contractor and its surety, if any, ~~must~~shall remain liable to the District for complete performance of the Contract as if no such assignment, sale, disposal, transfer, or delegation had occurred unless the District otherwise agrees in ~~Writing~~writing.

PPS 49-0210 Notice and Advertising Requirements; Posting

(1) Notice and Distribution Fee. The District shall furnish ~~Notice~~notice as set forth below in ~~Sections (1)~~subsections (a) through ~~(1)~~(c) to a number of Persons sufficient for the purpose of fostering and promoting competition. The ~~Notice~~notice shall indicate where, when, how, and for how long the Solicitation Document may be obtained and generally describe the Public Improvement ~~Project~~project or Work. The ~~Notice~~notice may contain any other appropriate information. The District may charge a fee or require a deposit for the Solicitation Document. The District may furnish ~~Notice~~notice using any method determined to foster and promote competition, including:

(a) Mailing ~~Notice~~notice of the availability of Solicitation Documents to Persons that have expressed an interest in the District's ~~Procurements~~procurements;

(b) Placing ~~Notice~~notice on the District's ~~Electronic Procurement~~electronic procurement System; or

(c) Placing ~~Notice~~notice on the District's Internet Web site.

(2) Advertising. Pursuant to ORS 279C.360 and this ~~Rule~~rule, the District shall advertise every solicitation for ~~Competitive Bids or Competitive~~competitive Bids or competitive Proposals for a Public Improvement Contract, unless the Contract Review Board has exempted the ~~solicitation~~Solicitation from the advertisement requirement as part of a ~~Competitive Bidding~~competitive bidding exemption under ORS 279C.335.

(a) Unless the District publishes by Electronic Advertisement as permitted under ~~Section (~~subsection 2~~)~~(b) of this ~~Rule~~rule, the District shall publish the advertisement for Offers at least once in at least one newspaper of general circulation in the area where the Contract is to be performed and in as many additional issues and publications as the District may determine to be necessary or desirable to foster and promote competition.

(b) The District may publish by Electronic Advertisement if the Contract Review Board determines that Electronic Advertisement is likely to be ~~cost-effective and, by Rule or order, authorizes Electronic Advertisement~~cost effective.

(c) In addition to the District's publication required under ~~Sections (~~subsections 2~~)~~(a) or ~~(2)~~ (b), the District shall also publish an advertisement for Offers in at least one trade newspaper of general

statewide circulation if the Contract is for a Public Improvement with an estimated cost in excess of $125,000.

(d) All advertisements for Offers shall set forth:

(A) The Public Improvement ~~Project~~project;

(B) The office where Contract terms, conditions, and ~~Specifications~~specifications may be reviewed;

(C) The date that Persons ~~must~~shall file applications for prequalification under ORS 279C.340, if prequalification is a requirement, and the class or classes of ~~Work~~work for which Persons ~~must~~shall be prequalified;

(D) The scheduled Closing, which shall not be less than five ~~Days~~days after the date of the last publication of the advertisement;

(E) The name, title, and address of the District ~~Person~~official authorized to receive Offers;

(F) The scheduled Opening; and

(G) If applicable, that the Contract is for a Public Work subject to ORS 279C.800 ~~through~~to 279C.870 or the Davis-Bacon Act (40 U.S.C. 3141 to 3148).

PPS 49-0220 Prequalification of Offerors

(1) Prequalification. Pursuant to ORS 279C.430 and this ~~Rule~~rule, two types of prequalification are authorized:

(a) Mandatory Prequalification. The District may require mandatory prequalification of Offerors. The District ~~must~~shall indicate in the Solicitation Document if it will require mandatory prequalification. Mandatory prequalification is when the District conditions a Person's submission of an Offer on the Person's prequalification. The District ~~must~~shall not consider an Offer from a Person that is not prequalified if the District required prequalification.

(b) Permissive Prequalification. The District may prequalify a Person for the District's solicitation list, but in permissive prequalification the District ~~must~~shall not limit distribution of a solicitation to that list.

(c) Prequalification Procedure. When prequalification is required or allowed, a Person shall submit a prequalification application to the District on the form prescribed by the District. The District shall determine if the applicant is qualified within 30 ~~Days~~days of the date of application, or sooner if practicable and so requested by the applicant to enable the applicant to participate in Bidding on an advertised Contract. If the District finds that the applicant is qualified, the District ~~will~~shall provide ~~Notice~~notice to the applicant of the nature and type of Contracts the applicant is qualified to ~~Bid~~bid on and the period of time for which the qualification is valid.

(2) Prequalification Presumed. If an Offeror is currently prequalified by either the Oregon Department of Transportation or the Oregon Department of Administrative ~~Services~~services to perform Contracts, the Offeror ~~must~~shall be rebuttably presumed qualified to perform similar Work for the District. ~~When qualifying for the same kind of Work for the District, the Person may submit proof of the prequalification in lieu of a prequalification application under Section (1) of this Rule.~~

(3) Standards for Prequalification. A Person may prequalify by demonstrating to the District's satisfaction ~~that~~:

(a) The Person's financial, material, equipment, facility, and personnel resources and expertise, or ability to obtain such resources and expertise, indicate that the Person is capable of meeting all contractual responsibilities;

(b) The Person's record of performance;

(c) The Person's record of integrity;

(d) The Person is qualified to contract with the District. (See PPS 49-0390(2) regarding standards of responsibility.)

(4) Notice of Denial. If a Person fails to prequalify for a mandatory prequalification, the District ~~must~~shall notify the Person ~~and,~~ specify the reasons under ~~Section~~section (3) of this ~~Rule~~rule and inform the Person of the Person's right to a hearing under ORS 279C.445 and 279C.450 as provided in ~~Section~~section (6) of this ~~Rule~~rule.

(5) Revocation of Prequalification. If the District has reasonable cause to believe that there has been a substantial change in the conditions of a prequalified Person and that the Person is no longer qualified or is less qualified, the District may revoke or revise and reissue the prequalification after reasonable ~~Notice~~notice to the prequalified Person. The ~~Notice~~notice shall specify the reasons under ~~Section~~section (3) of this ~~Rule~~rule and inform the Person of the Person's right to a hearing under ORS 279C.445 and 279C.450 as provided in ~~Section~~section (6) of this ~~Rule~~rule.

(6) Appeal of Denial or Revocation of, or Revision to Prequalification.

(a) Any Person who wishes to appeal the District decision under Sections (4) or (5) of this ~~Rule~~rule shall, within three business ~~Days~~days after receipt of the ~~Notice~~notice of disqualification, file ~~Written Notice~~written notice with the District that Person appeals the decision. The District shall notify the Contract Review Board and schedule the appeal hearing before the Contract Review Board.

(b) Immediately upon receipt of the prospective ~~Bidder's~~bidder's or Proposer's ~~Notice~~notice of appeal, the District shall notify the local Contract Review Board.

(c) Upon the receipt of ~~Notice~~notice from the District under ~~Section~~section (2) of this ~~Rule~~rule, the Contract Review Board shall promptly notify the Person appealing and the District of the time and place of the hearing. The Contract Review Board shall conduct the hearing and decide the appeal within 30 ~~Days~~days after receiving the ~~Notice~~notice from the District. The Contract Review Board shall set forth in ~~Writing~~writing the reasons for the hearing decision.

(d) At the hearing the Contract Review Board shall consider de novo the ~~Notice~~notice of denial, revocation or revision of a prequalification, the standards listed in ~~Section~~section (3) of this ~~Rule~~rule on which the District based the decision, and any evidence provided by the parties. Hearings before a Contract Review Board shall be conducted under rules of procedure adopted by the Contract Review Board.

(e) The Contract Review Board may allocate the Contract Review Board's costs for the hearing between the Person appealing and the District. The allocation shall be based on facts found by the Contract Review Board and stated in the final order that, in the Contract Review Board's opinion, warrant such allocation of costs. If the final order does not allocate the costs for the hearing, the costs shall be paid as follows:

(A) If the decision to deny, revoke, or revise a prequalification of a Person as a ~~Bidder~~bidder is upheld, the cost shall be paid by the Person appealing the decision.

(B) If the decision to deny, revoke, or revise a prequalification of a Person as a ~~Bidder~~bidder is reversed, the costs shall be paid by the District.

(f) Judicial review of any decision by the Contract Review Board shall be as set forth in ORS 279C.450.

PPS 49-0230 Eligibility to Bid or Propose; Registration or License

(1) Construction Contracts. The District ~~must~~shall not consider a Person's Offer to do Work as a Contractor, as defined in ORS 701.005(2), unless the Person has a current, valid certificate of registration issued by the Construction Contractors Board at the time the Offer is made.

(2) Landscape Contracts. The District ~~must~~shall not consider a Person's Offer to do Work as a landscape ~~Contractor~~contractor as defined in ORS 671.520(2), unless the Person has a current, valid landscape ~~Contractors~~contractors license issued pursuant to ORS 671.560 by the State Landscape Contractors Board at the time the ~~Offer~~offer is made.

(3) Non-Complying Entities. The District ~~must~~shall deem an Offer received from a Person that fails to comply with this ~~Rule~~rule Non-Responsive and ~~must~~shall reject the Offer as stated in ORS 279C.365(1)(k), unless contrary to federal law or subject to different timing requirements set by federal funding or the District.

PPS 49-0240 Pre-Offer Conferences

(1) Purpose. The District may hold pre-Offer conferences with prospective Offerors prior to Closing to explain the ~~Procurement~~procurement requirements, obtain information, or conduct site inspections.

(2) Required Attendance. The District may require attendance at the pre-Offer conference as a condition for making an Offer. Unless otherwise specified in the Solicitation Document, a mandatory attendance requirement is considered to have been met if, at any time during the mandatory meeting, a representative of the Offering firm is present.

(3) Scheduled Time. If the District holds a pre-Offer conference, it ~~must~~shall be held within a reasonable time after the Solicitation Document has been issued, but sufficiently before the Closing to allow Offerors to consider information provided at that conference.

(4) Statements Not Binding. Statements made by the District's representative at the pre-Offer conference do not change the Solicitation Document unless the District confirms such statements with a ~~Written~~written Addendum to the Solicitation Document.

(5) District Announcement. The District ~~must~~shall set forth ~~Notice~~notice of any pre-Offer conference in the Solicitation Document in accordance with PPS 49-0200(1)(a)(B).

PPS 49-0250 Addenda to Solicitation Documents

(1) Issuance; Receipt. The District may change a Solicitation Document only by ~~Written~~written Addenda. An Offeror ~~must~~shall provide ~~Written~~written acknowledgement of receipt of all issued Addenda with its Offer, unless the District otherwise specifies in the Addenda or in the Solicitation Document.

(2) Notice and Distribution. The District ~~must~~shall notify prospective Offerors of Addenda consistent with the standards of ~~Notice~~notice set forth in PPS 49-0210(1). The Solicitation Document ~~must~~shall specify how the District ~~will~~shall provide ~~Notice~~notice of Addenda and how the District ~~will~~shall make the Addenda available (see PPS 49-0200(1)(a)(N). For example, "The District ~~will~~shall not mail ~~Notice~~notice of Addenda, but will publish ~~Notice~~notice of any Addenda on the District's Web site. Addenda may be downloaded off the District's Web site. Offerors should frequently check the District's Web site until Closing, i.e., at least once weekly until the week of Closing, and at least once daily during the week of the Closing."

(3) Timelines; Extensions. The District ~~must~~shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The District may extend the Closing if the District determines that prospective Offerors need additional time to review and respond to Addenda. Except to the extent required by public interest, the District ~~must~~shall not issue Addenda less than 72 hours before the Closing unless the Addendum also extends the Closing.

(4) Request for Change or Protest. Unless a different deadline is set forth in the Addendum, an Offeror may submit a ~~Written~~written request for change or protest to the Addendum, as provided in PPS 49-0260, by the close of the District's next business ~~Day~~day after issuance of the Addendum, or up to the last ~~Day~~day allowed to submit a request for change or protest under PPS 49-0260, whichever date is later. The District ~~must~~shall consider only an Offeror's request for change or protest to the Addendum; the District ~~must~~shall not consider a request for change or protest to matters not added or modified by the Addendum, unless the Offeror submits the request for change or protest before the deadline for the District's receipt of request for change or protests as set forth in PPS 49-0260(2) and (3).

PPS 49-0260 Request for Clarification or Change; Solicitation Protests

(1) Clarification. Prior to the deadline for submitting a ~~Written~~written request for change or protest, an Offeror may request that the District clarify any provision of the Solicitation Document. The District's clarification to an Offeror, whether orally or in ~~Writing~~writing, does not change the Solicitation Document and is not binding on the District unless the District amends the Solicitation Document by Addendum.

(2) Request for Change.

(a) Delivery. An Offeror may request in ~~Writing~~writing a change to the ~~Specifications~~specifications or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror ~~must~~shall deliver the ~~Written~~written request for change to the District not less than ~~five Days~~ten (10) days prior to Closing;

(b) Content of Request for Change.

(A) An Offeror's ~~Written~~written request for change ~~must~~shall include a statement of the requested change(s) to the Contract terms and conditions, including any ~~Specifications~~specifications, together with the reason for the requested change.

(B) An Offeror ~~must~~shall mark its request for change as follows:

(i) "Contract Provision Request for change"; and

(ii) Solicitation Document number (or other identification as specified in the Solicitation Document).

(3) Protest.

(a) Delivery. An Offeror may protest ~~Specifications~~specifications or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror ~~must~~shall deliver a ~~Written~~written protest on those matters to the District not less than ~~five Days~~ten (10) days prior to Closing.

(b) Content of Protest.

(A) An Offeror's ~~Written~~written protest ~~must~~shall include:

(i) A detailed statement of the legal and factual grounds for the protest;

(ii) A description of the resulting prejudice to the Offeror; and

(iii) A statement of the desired changes to the Contract terms and conditions, including any ~~Specifications~~specifications.

(B) An Offeror ~~must~~shall mark its protest as follows:

(i) "Contract Provision Protest"; and

(ii) Solicitation Document number (or other identification as specified in the Solicitation Document).

(4) The Response. The District is not required to consider an Offeror's request for change or protest after the deadline established for submitting such request or protest. The District ~~must~~shall provide ~~Notice~~notice to the applicable Person if it entirely rejects a protest. If the District agrees with the Person's request or protest, in whole or in part, the District ~~must~~shall either issue an Addendum reflecting its determination under PPS 49-0260 or cancel the ~~solicitation~~Solicitation under PPS 49-0270.

(5) Extension of Closing. If the District receives a ~~Written~~written request for change or protest from an Offeror in accordance with this ~~Rule~~rule, the District may extend Closing if the District determines ~~that~~ an extension is necessary to consider the request or protest and issue an Addendum, if any, to the Solicitation Document.

(6) Failure to Protest or Request a Change Precludes Protest of ~~Award~~award on Such Issue. An Offeror cannot protest an ~~Award~~award based on any issue that could have, but was not, raised as a Request for Change or Protest of solicitation.

PPS 49-0270 Cancellation of Solicitation Document

(1) Cancellation in the Public Interest. The District may cancel a solicitation for ~~good cause~~Good Cause if the District finds that cancellation is in the public interest. The District's reasons for cancellation ~~must~~shall be made part of the ~~Procurement File~~solicitation file.

(2) Notice of Cancellation. If the District cancels a solicitation prior to Opening, the District ~~must~~shall provide ~~Notice~~notice of cancellation in accordance with PPS 49-0210(1). Such ~~Notice~~notice of cancellation ~~must~~shall:

(a) Identify the ~~solicitation~~Solicitation;

(b) Briefly explain the reason for cancellation; and

(c) If appropriate, explain that an opportunity will be given to compete on any ~~re-solicitation~~resolicitation.

(3) Disposition of Offers.

(a) Prior to Offer Opening. If the District cancels a solicitation prior to Offer Opening, the District ~~will~~shall return all Offers it received to Offerors unopened, provided the Offeror submitted its Offer in a hard copy format with a clearly visible return address. If there is no return address on the envelope, the District ~~will~~shall open the Offer to determine the source and then return it to the Offeror.

(b) After Offer Opening. If the District rejects all Offers, the District ~~will~~shall retain all such Offers as part of the District's ~~Procurement File~~Solicitation file.

PPS 49-0280 Offer Submissions

(1) Offer and Acceptance. The ~~Bid~~bid or ~~Proposal~~proposal is the ~~Bidder's~~bidder's or Proposer's Offer to enter into a Contract.

(a) In ~~Competitive Bidding and Competitive~~competitive bidding and competitive Proposals, the Offer is always a "Firm Offer," i.e., the Offer ~~must~~shall be held open by the Offeror for the District's acceptance for the period specified in PPS 49-0410. The District may elect to accept the Offer at any time during the specified period, and the District's ~~Award~~award of the Contract to a ~~Bidder~~bidder constitutes acceptance of the Offer and binds the Offeror to the Contract.

(b) Notwithstanding the fact that a ~~Competitive Proposal~~competitive proposal is a ~~"~~"Firm Offer"~~"~~ for the period specified in PPS 49-0410, the District may elect to discuss or negotiate certain Contractual provisions, as identified in these ~~Rules~~rules or in the Solicitation Document, with the Proposer. See PPS 49-0650 on Requests for Proposals and PPS 49-0290 on ~~Bid or Proposal~~bid or

proposal Security. Where negotiation is permitted by the ~~Rules~~rules or the Solicitation Document, Proposers are bound to an obligation to negotiate in good faith and only on those terms that the ~~Rules~~rules or the Solicitation Document has reserved for negotiation. In ~~Competitive~~competitive Proposals, the Solicitation Document ~~must~~shall describe whether Offers are to be made and considered as "Firm Offers" that may be accepted without negotiation, as in the case of ~~Competitive~~competitive Bidding, or whether Offers are subject to discussion, negotiation, or otherwise are not to be considered as final Offers. See PPS 49-0650 on Requests for Proposals and PPS 49-0290 on ~~Bid or Proposal~~bid or proposal Security.

(2) Responsive Offer. The District may ~~Award~~award a Contract only to a Responsible Offeror with a Responsive Offer.

(3) Contingent Offers. Except to the extent that an Offeror is authorized to ~~Propose~~propose certain terms and conditions pursuant to PPS 49-0650, an Offeror ~~must~~shall not make an Offer contingent upon the District's acceptance of any terms or conditions (including ~~Specifications~~specifications) other than those contained in the Solicitation Document.

(4) Offeror's Acknowledgement. By signing and returning the Offer, the Offeror acknowledges that ~~they have~~it has read and ~~understand~~understands the terms and conditions contained in the Solicitation Document and that ~~they accept~~it accepts and ~~agree~~agrees to be bound by the terms and conditions of the Solicitation Document. If the Request for ~~Proposals~~proposal permits ~~Proposal~~proposal of alternative terms under PPS 49-0650, the Offeror's Offer includes the nonnegotiable terms and conditions and any ~~Proposed~~proposed terms and conditions offered for negotiation upon and to the extent accepted by the District in ~~Writing~~writing.

(5) Instructions. An Offeror ~~must~~shall submit and ~~Sign~~sign the Offer in accordance with the Solicitation Document. An Offeror ~~must~~shall initial and submit any corrections or erasures to their Offer prior to the Opening in accordance with the requirements for submitting an Offer under the Solicitation Document.

(6) Forms. An Offeror ~~must~~shall submit the Offers on the form(s) provided in the Solicitation Document, unless Offerors are otherwise instructed in the Solicitation Document.

(7) Documents. An Offeror ~~must~~shall provide the District with all documents and Descriptive Literature required under the Solicitation Document.

(8) Facsimile or Electronic Submissions. If the District permits ~~Facsimile or Electronic~~facsimile or electronic Offers in the Solicitation Document, the Offeror may submit ~~Facsimile~~facsimile or Electronic Offers in accordance with the Solicitation Document. The District ~~will~~shall not consider ~~Facsimile~~facsimile or Electronic Offers unless authorized by the Solicitation Document.

(9) Product Samples and Descriptive Literature. The District may require Product Samples or Descriptive Literature if it is necessary or desirable to evaluate the quality, features, or characteristics of the offered items. The District ~~will~~shall dispose of Product Samples or return or make available for return Product Samples to the Offeror in accordance with the Solicitation Document.

(10) Identification of Offers.

- **(a)** To ensure proper identification and handling, Offers ~~must~~shall be submitted in a sealed envelope appropriately marked or in the envelope provided by the District, whichever is applicable.
- **(b)** The District is not responsible for Offers submitted in any manner or format, or to any delivery point, other than as required in the Solicitation Document.

(11) Receipt of Offers. The Offeror is responsible for ensuring that the District receives the Offers at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

PPS 49-0290 Bid or Proposal Security

(1) Security Amount. If the District requires ~~Bid or Proposal~~bid or proposal security, it ~~must~~shall be not more than 10 ~~percent~~% or less than 5 ~~percent~~% of the Offeror's ~~Bid~~bid or ~~Proposal~~proposal, consisting of the base ~~Bid or Proposal~~bid or proposal together with all additive alternates. The District ~~must not use Bid or Proposal~~shall not use bid or proposal security to discourage competition. The District ~~must~~shall clearly state any ~~Bid or Proposal~~bid or proposal security requirements in its Solicitation Document. The Offeror ~~must~~shall forfeit ~~Bid or Proposal~~bid or proposal security after ~~Award~~award if the Offeror fails to execute the Contract and promptly return it with any required ~~Performance Bond and Payment Bond~~performance bond and payment bond and, in the case of ~~Proposal~~proposal security, with any required proof of insurance. See ORS 279C.365(5) and 279C.385.

(2) Requirement for Bid Security (Optional for Proposals). Unless the District has otherwise exempted a solicitation or class of solicitations from ~~Bid~~bid security pursuant to ORS 279C.390, the District ~~must~~shall require ~~Bid~~bid security for its solicitation of Bids for Public Improvements. This requirement applies only to Public Improvement Contracts with a value, estimated by the Contracting Agency, of more than $100,000 or, in the case of Contracts for highways, bridges and other transportation projects, more than $50,000. See ORS 279C.365(6). The District may require ~~Bid~~bid security even if it has exempted a class of solicitations from ~~Bid~~bid security. The District may require ~~Proposal~~proposal security in RFPs. See ORS 279C.400(5).

(3) Form of Bid or Proposal Security. The District may accept only the following forms of ~~Bid or Proposal~~bid or proposal security:

(a) A surety bond from a surety company authorized to do business in the State of Oregon;

(b) An irrevocable letter of credit issued by an insured institution as defined in ORS 706.008; or

(c) A cashier's check or Offeror's certified check.

(4) Return of Security. The District ~~must~~shall return or release the ~~Bid or Proposal~~bid or proposal security of all unsuccessful Offerors after a Contract has been fully executed and all required bonds and insurance have been provided, or after all Offers have been rejected. The District may return the ~~Bid or Proposal~~bid or proposal security of unsuccessful Offerors prior to ~~Award~~award if the return does not prejudice Contract ~~Award~~award and the security of at least the ~~Bidders~~bidders with the three lowest Bids, or the Proposers with the three ~~highest scoring~~highest scoring Proposals, is retained pending execution of a Contract.

PPS 49-0300 Facsimile Bids and Proposals

(1) District Authorization. The District may authorize Offerors to submit ~~Facsimile~~facsimile Offers. If the District determines that ~~Bid or Proposal~~bid or proposal security is or will be required, the District ~~must~~shall not authorize ~~Facsimile~~facsimile Offers unless the District has established a method for receipt of such security. Prior to authorizing the submission of ~~Facsimile~~facsimile Offers, the District ~~must~~shall determine that the District's equipment and personnel are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the District ~~must~~shall establish administrative procedures and controls:

(a) To receive, identify, record, and safeguard ~~Facsimile~~facsimile Offers;

(b) To ensure timely delivery of Offers to the location of Opening; and

(c) To preserve the Offers as ~~Sealed~~sealed.

(2) Provisions to Be Included in Solicitation Document. In addition to all other requirements, if the District authorizes a ~~Facsimile~~facsimile Offer for Bids or Proposals, the District ~~must~~shall include in the Solicitation Document (other than in ~~an RFQ~~a Request for Quotes) the following:

(a) A provision substantially in the form of the following: "A '~~Facsimile~~facsimile Offer' as used in this Solicitation Document means an Offer, modification of an Offer, or withdrawal of an Offer that is transmitted to and received by the District via a facsimile machine";

(b) A provision substantially in the form of the following: "Offerors may submit ~~Facsimile~~facsimile Offers in response to this Solicitation Document. The entire response ~~must~~shall arrive at the place and by the time specified in this Solicitation Document";

(c) A provision that requires Offerors to ~~Sign~~sign their ~~Facsimile~~facsimile Offers;

(d) A provision substantially in the form of the following: "The District reserves the right to ~~Award~~award the Contract solely on the basis of the ~~Facsimile~~facsimile Offer." However, upon the District's request, the apparent successful Offeror ~~must~~shall promptly submit its complete original ~~Signed~~signed Offer; and

(e) The data and compatibility characteristics of the District's receiving facsimile machine as follows:

(A) Telephone number; and

(B) Compatibility characteristics, e.g., make and model number, receiving speed, communications protocol; and

(f) A provision that the District is not responsible for any failure attributable to the transmission or receipt of the ~~Facsimile~~facsimile Offer including, but not limited to, the following:

(A) Receipt of garbled or incomplete documents;

(B) Availability or condition of the receiving facsimile machine;

(C) Incompatibility between the sending and receiving facsimile machine;

(D) Delay in transmission or receipt of documents;

(E) Failure of the Offeror to properly identify the Offer documents;

(F) Illegibility of Offer documents; and

(G) Security and confidentiality of data.

PPS 49-0310 Electronic ~~Procurement~~procurement

(1) General. The District may utilize Electronic Advertisement of Public Improvement Contracts in accordance with ORS 279C.360(1), provided that advertisement of such Contracts with an estimated Contract Price in excess of $125,000 ~~must~~shall also be published in a trade newspaper of general statewide circulation, and may post ~~Notices~~notices of intent to ~~Award~~award electronically as provided by ORS 279C.410(7).

(2) Alternative Procedures. In the event that the District desires to ~~allow Electronic~~direct or permit the submission and receipt of Offers for a Public Improvement Contract by electronic means, the District ~~will~~shall comply with PPS 47-0330 (~~Electronic Procurement~~electronic procurement under ORS 279B), taking into account ORS 279C requirements for ~~Written~~written Bids, opening Bids publicly, ~~Bid~~bid security, first-tier subcontractor disclosure, and inclusion of prevailing wage rates.

(3) Interpretation. Nothing in this ~~Rule must~~rule shall be construed as prohibiting the District from making ~~Procurement~~procurement documents for Public Improvement Contracts available in electronic format as well as in hard copy when Bids are to be submitted only in hard copy. See ORS 279C.365(2).

PPS 49-0320 Pre-Closing Modification or Withdrawal of Offers

(1) Modifications. An Offeror may modify its Offer in ~~Writing~~writing prior to the Closing. An Offeror ~~must~~shall prepare and submit any modification to its Offer to the District in accordance with PPS 49-0280,

unless otherwise specified in the Solicitation Document. Any modification ~~must~~shall include the Offeror's statement that the modification amends and supersedes the prior Offer. The Offeror ~~must~~shall mark the submitted modification as follows:

(a) Bid (or ~~Proposal) modification~~proposal) Modification; and

(b) Solicitation ~~number~~Number (or other identification as specified in the Solicitation Document).

(2) Withdrawals.

(a) An Offeror may withdraw its Offer by ~~Written Notice~~written notice submitted on the Offeror's letterhead, ~~Signed~~signed by an authorized representative of the Offeror, delivered to the location specified in the Solicitation Document (or the place of Closing if no location is specified), and received by the District prior to the Closing. The Offeror or authorized representative of the Offeror may also withdraw its Offer in person prior to the Closing, upon presentation of appropriate identification and satisfactory evidence of authority;

(b) The District may release an unopened Offer withdrawn under ~~Section~~section (2)(a) of this ~~Rule~~rule to the Offeror or its authorized representative after voiding any date and ~~time stamp~~time stamp mark;

(c) The Offeror ~~must~~shall mark the ~~Written~~written request to withdraw an Offer as follows:

(A) Bid (or ~~Proposal) withdrawal~~proposal) Withdrawal; and

(B) Solicitation number (or other identification as specified in the Solicitation Document).

(3) Documentation. The District ~~must~~shall include all documents relating to the modification or withdrawal of Offers in the appropriate ~~Procurement File~~Solicitation file.

PPS 49-0330 Receipt, Opening, and Recording of Offers; Confidentiality of Offers

(1) Receipt. The District ~~must~~shall electronically or mechanically time-stamp or hand-mark each Offer and any modification upon receipt. The District ~~must~~shall not open the Offer or modification upon receipt, but ~~must~~shall maintain it as confidential and secure until Opening. If the District inadvertently opens an Offer or a modification prior to the Opening, the District ~~must~~shall return the Offer or modification to its secure and confidential state until Opening. The District ~~must~~shall document the resealing for the ~~Procurement File~~Solicitation file (e.g., "The District inadvertently opened the Offer due to improper identification of the Offer").

(2) Opening and Recording. The District ~~must~~shall publicly open Offers, including any modifications made to the Offer, pursuant to PPS 49-0320. In the case of Invitations to Bid, to the extent practicable, the District ~~must~~shall read aloud the name of each ~~Bidder~~bidder, the ~~Bid~~bid price(s), and such other information as the District considers appropriate. In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, the District ~~will~~shall not read Offers aloud.

(3) Availability. After Opening, the District ~~must~~shall make Bids available for public inspection, but pursuant to ORS 279C.410, Proposals are not required to be available for public inspection until after the ~~Notice~~notice of ~~Intent~~intent to ~~Award~~award is issued. In any event, the District may withhold from disclosure those portions of an Offer that the Offeror designates as trade secrets or as confidential proprietary data in accordance with applicable law. See ORS 192.501(2); ORS 646.461 through 646.475. To the extent that the District determines such designation is not in accordance with applicable law, the District ~~must~~shall make those portions available for public inspection. The Offeror ~~must~~shall separate information designated as confidential from other non-confidential information at the time of submitting its Offer. Prices, makes, models, or catalog numbers of items offered, scheduled delivery dates, and terms of payment are not confidential, and ~~must~~shall be publicly available regardless of an Offeror's designation to the contrary.

PPS 49-0340 Late Bids, Late Withdrawals, and Late Modifications

Any Offer received after Closing is late. An Offeror's request for withdrawal or modification of an Offer received after Closing is late. The District ~~will~~shall not consider late Offers, withdrawals, or modifications except as permitted in PPS 49-0350 or 49-0390.

PPS 49-0350 Mistakes

(1) Generally. To protect the integrity of the ~~Competitive Procurement~~competitive procurement process and to ~~ensure~~assure fair treatment of Offerors, the District should carefully consider whether to permit waiver, correction, or withdrawal of Offers for certain mistakes.

(2) District Treatment of Mistakes. The District ~~must~~shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If the District discovers certain mistakes in an Offer after Opening but before ~~Award~~award of the Contract, the District may take the following action:

(a) The District may waive, or permit an Offeror to correct, a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the Offer, or an insignificant mistake that can be waived or corrected without prejudice to other Offerors. Examples of minor informalities include an Offeror's failure to:

(A) Return the correct number of ~~Signed~~signed Offers or the correct number of other documents required by the Solicitation Document;

(B) Sign the Offer in the designated block, provided a ~~Signature~~signature appears elsewhere in the Offer, evidencing an intent to be bound; and

(C) Acknowledge receipt of an Addendum to the Solicitation Document, provided that it is clear on the face of the Offer that the Offeror received the Addendum and intended to be bound by its terms, or the Addendum involved did not affect price, quality, or delivery.

(b) The District may correct a clerical error if the error is evident on the face of the Offer or other documents submitted with the Offer, and the Offeror confirms the District's correction in ~~Writing~~writing. A clerical error is an Offeror's error in transcribing its Offer. Unit prices shall prevail over extended prices in the event of a discrepancy between extended prices and unit prices.

(c) The District may permit an Offeror to withdraw an Offer based on one or more clerical errors in the Offer only if the Offeror shows with objective proof and by clear and convincing evidence:

(A) The nature of the error;

(B) That the error is not a minor informality under this section or an error in judgment;

(C) That the error cannot be corrected or waived under ~~Section (2)~~subsection (b) of this ~~Rule~~rule;

(D) That the Offeror acted in good faith in submitting an Offer that contained the claimed error and in claiming that the alleged error in the Offer exists;

(E) That the Offeror acted without gross negligence in submitting an Offer that contained a claimed error;

(F) That the Offeror will suffer substantial detriment if the District does not grant the Offeror permission to withdraw the Offer;

(G) That the District's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the District or the public it represents; and

(H) That the Offeror promptly gave ~~Notice~~notice of the claimed error to the District.

(d) The criteria in ~~Section~~section (2)(c) of this ~~Rule must~~rule shall determine whether the District ~~will~~shall permit an Offeror to withdraw its Offer after Closing. These criteria also ~~must~~shall apply to the question of whether the District ~~will~~shall permit an Offeror to withdraw its Offer without forfeiture of its ~~Bid~~bid bond (or other ~~Bid or Proposal~~bid or proposal security), or without liability to the District based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually ~~Awarded~~awarded by the District, whether by ~~Award~~award to the next lowest Responsive and Responsible ~~Bidder~~bidder or the best Responsive and Responsible Proposer, or by resort to a new solicitation.

(3) Rejection for Mistakes. The District ~~will~~shall reject any Offer in which a mistake is evident on the face of the Offer and the intended correct Offer is not evident or cannot be substantiated from documents submitted with the Offer.

(4) Identification of Mistakes After ~~Award~~award. The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake. Following ~~Award~~award, an Offeror is bound by its Offer, and may withdraw its Offer or rescind a Contract entered into pursuant to this ~~Division~~division 49 only to the extent permitted by applicable law.

PPS 49-0360 First-Tier Subcontractors; Disclosure and Substitution; ITB

(1) Required Disclosure. Within two working hours after the ~~Bid~~bid Closing on an ITB for a Public Improvement having a Contract Price anticipated by the District to exceed $100,000, all ~~Bidders must~~bidders shall submit to the District a disclosure form as described by ORS 279C.370(2), identifying any first-tier subcontractors (those entities that would be contracting directly with the prime Contractor) that will be furnishing labor or labor and materials on the Contract, if ~~Awarded~~awarded, whose subcontract value would be equal to or greater than:

(a) 5 percent of the total Contract Price, but at least $15,000; or

(b) $350,000, regardless of the percentage of the total Contract Price.

(2) Bid Closing, Disclosure Deadline, and Bid Opening. For each ITB to which this ~~Rule~~rule applies, the District ~~must~~shall:

(a) Set the ~~Bid~~bid Closing on a Tuesday, Wednesday, or Thursday, and at a time between 2:00 p.m. and 5:00 p.m., except that these ~~Bid~~bid Closing restrictions do not apply to an ITB for maintenance or construction of highways, bridges, or other transportation facilities, and provided that the two-hour disclosure deadline described by this ~~Rule~~rule would not then fall on a legal holiday;

(b) Open Bids publicly immediately after the ~~Bid~~bid Closing; and

(c) Consider for Contract ~~Award~~award only those Bids for which the required disclosure has been submitted by the announced deadline on forms prescribed by the District.

(3) Bidder Instructions and Disclosure Form. For the purposes of this ~~Rule~~rule, the District in its solicitation ~~must~~shall:

(a) Prescribe the disclosure form that ~~must~~shall be utilized, substantially in the form set forth in ORS 279C.370(2); and

(b) Provide instructions in a ~~Notice~~notice substantially similar to the following:

"Instructions for First-Tier Subcontractor Disclosure:

Bidders are required to disclose information about certain first-tier subcontractors (see ORS 279C.370). Specifically, when the Contract amount of a first-tier subcontractor furnishing labor or labor and materials would be greater than or equal to: (i) 5 percent

of the ~~Project Bid~~project bid, but at least $15,000, or (ii) $350,000 regardless of the percentage, the ~~Bidder must~~bidder shall disclose the following information about that subcontract either in its ~~Bid~~bid submission, or within two hours after ~~Bid~~bid Closing:

(A) The subcontractor's name,

(B) The category of ~~Work~~work that the subcontractor would be performing, and

(C) The dollar value of the subcontract.

If the ~~Bidder~~bidder will not be using any subcontractors that are subject to the above disclosure requirements, the ~~Bidder~~bidder is required to indicate "NONE" on the accompanying form.

THE DISTRICT ~~MUST~~SHALL REJECT A BID IF THE BIDDER FAILS TO SUBMIT THE DISCLOSURE FORM WITH THIS INFORMATION BY THE STATED DEADLINE (see PPS 49-0360)."

(4) Submission. A ~~Bidder must~~bidder shall submit the disclosure form required by this ~~Rule~~rule either in its ~~Bid~~bid submission or within two working hours after ~~Bid~~bid Closing in the manner specified by the ITB.

(5) Responsiveness. Compliance with the disclosure and submittal requirements of ORS 279C.370 and this ~~Rule~~rule is a matter of Responsiveness. Bids that are submitted by ~~Bid~~bid Closing, but for which the disclosure submittal has not been made by the specified deadline, are not Responsive and will not be considered for Contract ~~Award~~award.

(6) District Role. The District ~~must~~shall obtain, and make available for public inspection, the disclosure forms required by ORS 279C.370 and this ~~Rule~~rule. The District ~~must~~shall also provide copies of disclosure forms to BOLI as required by ORS 279C.835. The District is not required to determine the accuracy or completeness of the information provided on disclosure forms.

(7) Substitution. Pursuant to ORS 279C.585, a Contractor whose ~~Bid~~bid is accepted may substitute a first-tier subcontractor that was not disclosed under ORS 279C.370 and this ~~Rule~~rule by submitting the name of the new subcontractor and the reason for the substitution in ~~Writing~~writing to the District. A Contractor may substitute a first-tier subcontractor under this section in the following circumstances:

(a) When the subcontractor disclosed under ORS 279C.370 fails or refuses to execute a ~~Written~~written Contract after having had a reasonable opportunity to do so after the ~~Written~~written Contract, which ~~must~~shall be reasonably based on the general terms, conditions, plans, and ~~Specifications~~specifications for the Public Improvement ~~Project~~project or the terms of the subcontractor's ~~Written Bid~~written bid, is presented to the subcontractor by the Contractor.

(b) When the disclosed subcontractor becomes bankrupt or insolvent.

(c) When the disclosed subcontractor fails or refuses to perform the subcontract.

(d) When the disclosed subcontractor fails or refuses to meet the bond requirements of the Contractor that had been identified prior to the ~~Bid~~bid submittal.

(e) When the Contractor demonstrates to the District that the subcontractor was disclosed as the result of an inadvertent clerical error.

(f) When the disclosed subcontractor does not hold a license from, or has a license that is not properly endorsed by, the Construction Contractors Board and is required to be licensed by the Construction Contractors Board.

(g) When the Contractor determines that the ~~Work~~work performed by the disclosed subcontractor is substantially unsatisfactory and not in substantial accordance with the plans and

~~Specifications~~specifications or that the subcontractor is substantially delaying or disrupting the progress of the ~~Work~~work.

(h) When the disclosed subcontractor is ineligible to work on a Public Improvement Contract under applicable statutory provisions.

(i) When the substitution is for ~~good cause~~Good Cause. The Construction Contractors Board shall define "~~good cause~~Good Cause" by rule. "Good cause" includes, but is not limited to, the financial instability of a subcontractor. The definition of "~~good cause" must~~Good Cause" shall reflect the least-cost policy for Public Improvement Contracts established in ORS 279C.305.

(j) When the substitution is reasonably based on the Contract alternates chosen by the District.

The District ~~must~~shall accept ~~Written~~written submissions filed under this ~~Section~~section (7) as public records. Aside from issues involving inadvertent clerical error under ORS 279C.585, the District does not have a statutory role or duty to review, approve, or resolve disputes concerning such substitutions. See ORS 279C.590 regarding complaints to the Construction Contractors Board on improper substitution.

PPS 49-0370 Disqualification of Persons

(1) Authority. The District may disqualify a Person from consideration of ~~Award~~award of the District's Contracts after providing the Person with ~~Notice~~notice and a reasonable opportunity to be heard in accordance with ~~Sections~~sections (2) and (4) of this ~~Rule~~rule.

(a) Standards for Conduct Disqualification. As provided in ORS 279C.440, the District may disqualify a Person for:

(A) Conviction for the commission of a criminal offense as an incident in obtaining or attempting to obtain a public or private ~~Contract~~contract or subcontract or in the performance of such Contract or subcontract.

(B) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty that currently, seriously, and directly affects the Person's responsibility as a ~~Contractor~~contractor.

(C) Conviction under state or federal antitrust statutes.

(D) Violation of a Contract provision that is regarded by the District to be so serious as to justify disqualification. A violation under this ~~Section~~section (1)(a)(D) may include, but is not limited to, material failure to perform the terms of a Contract or an unsatisfactory performance in accordance with the terms of the Contract. However, a Person's failure to perform or unsatisfactory performance caused by acts beyond the Person's control is not a basis for disqualification.

(E) Failure to carry workers' compensation or unemployment insurance as required by statute.

(b) Standards for Disqualification. As provided in ORS 200.065, 200.075, or 279A.110, the District may disqualify a Person's right to submit an Offer or to participate in a Contract (e.g., subcontractors) as follows:

(A) For a Disqualification under ORS 200.065, the District may disqualify a Person upon finding that:

(i) The Person fraudulently obtained or retained or attempted to obtain or retain or aided another Person to fraudulently obtain or retain or attempt to obtain or retain certification as a disadvantaged business enterprise, minority-owned business, women

owned business, emerging small business enterprise, or a veteran-owned business ~~that a service-disabled veteran owns~~; or

(ii) The Person knowingly made a false claim that any Person is qualified for certification or is certified under ORS 200.055 for the purpose of gaining a Contract or subcontract or other benefit; or

(iii) The Person has been disqualified by another district under ORS 200.065.

(B) For a Disqualification under ORS 200.075, the District may disqualify a Person upon finding that:

(i) The Person has entered into an agreement representing that a disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business enterprise, or a veteran-owned business ~~that a service-disabled veteran owns~~, certified under ORS 200.055 ("Certified Enterprise"), will perform or supply materials under a Public Improvement Contract without the knowledge and consent of the Certified Enterprise; or

(ii) The Person exercises management and decision-making control over the internal operations, as defined by ORS 200.075(1)(b), of any Certified Enterprise; or

(iii) The Person uses a Certified Enterprise to perform ~~Services~~services under a Contract or to provide supplies under a Public Improvement Contract to meet an established Certified Enterprise goal, and such enterprise does not perform a commercially useful function, as defined by ORS 200.075(3), in performing its obligations under the Contract.

(iv) If a Person is Disqualified for a Disqualification under ORS 200.075, the affected District ~~must~~shall not permit that Person to participate in that District's Contracts.

(C) For a Disqualification under ORS 279A.110, the District may disqualify a Person if the District finds that the Person discriminated against a disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business enterprise, or a veteran-owned business ~~that a service-disabled veteran owns~~, Contract with that District.

(2) Notice of Intent to Disqualify. The District ~~must~~shall notify the Person in ~~Writing~~writing of a proposed ~~disqualification~~Disqualification personally or by registered or certified mail, return receipt requested. This ~~Notice must~~notice shall:

(a) State that the District intends to disqualify the Person;

(b) Set forth the reasons for the ~~disqualification~~Disqualification;

(c) Include a statement of the Person's right to a hearing if requested in ~~Writing~~writing within a time period established by the District and that if the District does not receive the Person's ~~Written~~written request for a hearing within the time stated, the Person ~~must~~shall have waived its right to a hearing;

(d) Include a statement of the authority under which the hearing will be held;

(e) Include a reference to the particular sections of the statutes and ~~Rules~~rules involved;

(f) State the proposed disqualification period; and

(g) State that the Person may be represented by legal counsel.

(3) Hearing. The Superintendent will schedule a hearing upon the District's receipt of a timely hearing request. Within a reasonable time prior to the hearing, the Superintendent will notify the Person of the time

and place of the hearing and provide information on hearing procedures, right to representation and other matters relating to the conduct of the hearing. Following the hearing, the Superintendent will make a decision on whether to disqualify the Person.

(4) Notice of Disqualification. The District ~~will~~shall notify the Person in ~~Writing~~writing of its ~~disqualification~~Disqualification, personally or by registered or certified mail, return receipt requested. The ~~Notice must~~notice shall contain:

(a) The effective date and period of ~~disqualification~~Disqualification;

(b) The grounds for ~~disqualification~~Disqualification; and

(c) A statement of the Person's appeal rights and applicable appeal deadlines as provided in ~~Section~~section (5) of this ~~Rule~~rule.

(5) Appeal of Disqualification.

(a) Any Person who wishes to appeal a decision by the Superintendent to disqualify the Person under this section shall, within three business ~~Days~~days after receipt of the ~~Notice~~notice of ~~Intent~~intent to Disqualify under ~~Section~~section (4) of this ~~Rule~~rule, file ~~Written Notice~~written notice with the District that the Person appeals the decision. The District shall notify the Contract Review Board and schedule the appeal hearing before the Contract Review Board.

(b) Immediately upon receipt of the prospective ~~Bidder's~~bidder's or Proposer's ~~Notice~~notice of appeal, the District shall notify the appropriate Local Contract Review Board.

(c) Upon the receipt of ~~Notice~~notice from the District under ~~Section~~section (2) of this ~~Rule~~rule, the Contract Review Board shall promptly notify the Person appealing and the District of the time and place of the hearing. The Contract Review Board shall conduct the hearing and decide the appeal within 30 ~~Days~~days after receiving the ~~Notice~~notice from the District. The Contract Review Board shall set forth in ~~Writing~~writing the reasons for the hearing decision.

(d) At the hearing the Contract Review Board shall consider de novo the ~~Notice~~notice of disqualification, the reasons for disqualification set forth in ~~Section~~section (1) of this ~~Rule~~rule on which the District based the disqualification, and any evidence provided by the parties. Hearings before a Contract Review Board shall be conducted under rules of procedure adopted by the Contract Review Board.

(e) The Contract Review Board may allocate the Contract Review Board's costs for the hearing between the Person appealing and the District. The allocation shall be based on facts found by the Contract Review Board and stated in the final order that, in the Contract Review Board's opinion, warrant such allocation of costs. If the final order does not allocate the costs for the hearing, the costs shall be paid as follows:

(A) If the decision to disqualify the Person is upheld, the costs shall be paid by the Person appealing the decision.

(B) If the decision to disqualify a Person is reversed, the costs shall be paid by the District.

(f) Judicial review of any decision by the Contract Review Board shall be as set forth in ORS 279C.450.

PPS 49-0380 Bid or Proposal Evaluation Criteria

(1) General. A Public Improvement Contract, if ~~Awarded, must be Awarded~~awarded, shall be awarded to the Responsible ~~Bidder~~bidder submitting the lowest Responsive Bid, or to the Responsible Proposer submitting the best Responsive ~~Proposal~~proposal. See PPS 49-0390 and ~~Rules~~rules for Alternative Contracting Methods at PPS 49-0600 to 49-0690.

(2) Bid Evaluation Criteria. Invitations to Bid may solicit lump-sum Offers, unit-price Offers, or a combination of the two.

(a) Lump Sum. If the ITB requires a lump-sum ~~Bid~~bid without additive or deductive alternates, or if the District elects not to ~~Award~~award additive or deductive alternates, Bids ~~must~~shall be compared on the basis of lump-sum prices, or lump-sum ~~base Bid~~base-bid prices, as applicable. If the ITB calls for a lump-sum base ~~Bid~~bid, plus additive or deductive alternates, the total ~~Bid~~bid price ~~must~~shall be calculated by adding to or deducting from the base ~~Bid~~bid those alternates selected by the District for the purpose of comparing Bids.

(b) Unit Price. If the ~~Bid~~bid includes unit pricing for estimated quantities, the total ~~Bid~~bid price ~~must~~shall be calculated by multiplying the estimated quantities by the unit prices submitted by the ~~Bidder~~bidder, and adjusting for any additive or deductive alternates selected by the District for the purpose of comparing Bids. The District ~~must~~shall specify within the Solicitation Document the estimated quantity of the ~~Procurement~~procurement to be used for determination of the low ~~Bidder~~bidder. In the event of mathematical discrepancies between unit price and any extended price calculations submitted by the ~~Bidder~~bidder, the unit price governs. See PPS 49-0350(2)(b).

(3) Proposal Evaluation Criteria. If the District has exempted the ~~Procurement~~procurement of a Public Improvement from the ~~Competitive~~competitive Bidding requirements of ORS 279C.335(1) and has directed the District to use an Alternative Contracting Method under ORS 279C.335(4), the District shall set forth the evaluation criteria in the Solicitation Documents. See PPS 49-0640, 49-0650, 49-0670, 049-0690, ORS 279C.335 and 279C.405.

PPS 49-0390 Offer Evaluation and Award; Determination of Responsibility

(1) General. If ~~Awarded~~awarded, the District ~~must Award~~shall award the Contract to the Responsible ~~Bidder~~bidder submitting the lowest Responsive Bid or the Responsible Proposer or Proposers submitting the best, Responsive ~~Proposal~~proposal or Proposals, provided that such Person is not listed by the Construction Contractors Board as disqualified to hold a Public Improvement Contract (See ORS 279C.375(3)(a)) or is ineligible for ~~Award~~award as a nonresident education service district (ORS 279C.325). The District may ~~Award~~award by item, groups of items, or the entire Offer provided such ~~Award~~award is consistent with the Solicitation Document and in the public interest. Where ~~Award~~award is based on ~~Competitive~~competitive Bids, ORS 279C.375(5) permits multiple Contract ~~Awards~~awards when specified in the ITB.

(2) Determination of Responsibility. Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before ~~Awarding~~awarding a Contract, the District ~~must~~shall have information that indicates that the Offeror meets the standards of responsibility set forth in ORS 279C.375(3)(b). To be a Responsible Offeror, the District ~~must~~shall determine that the Offeror:

(a) Has available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all Contractual responsibilities;

(b) Holds current licenses that businesses or service professionals operating in this state ~~must~~shall hold in order to undertake or perform the ~~Work~~work specified in the Contract;

(c) Is covered by liability insurance and other insurance in amounts the District requires in the Solicitation Documents;

(d) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407, or has elected coverage under ORS 656.128;

(e) Has made the disclosure required under ORS 279C.370.

(f) Has completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this subparagraph, a satisfactory record of performance means that to the extent

that the costs associated with and time available to perform a previous contract remained within the ~~Bidder's~~bidder's control, the ~~Bidder~~bidder stayed within the time and budget allotted for the procurement, and otherwise performed the contract in a satisfactory manner. The District should carefully scrutinize an Offeror's record of contract performance if the Offeror is or recently has been materially deficient in contract performance. In reviewing the Offeror's performance, the Contracting Agency should determine whether the Offeror's deficient performance was expressly excused under the terms of the contract, or whether the Offeror took appropriate corrective action. The District may review the Offeror's performance on both private and public contracts in determining the Offeror's record of contract performance. The District shall make its basis for determining an Offeror not Responsible under this paragraph part of the Solicitation file;

(g) Has a satisfactory record of integrity. ~~In evaluating the Bidder's record of integrity, the District may consider, among other things, whether the Bidder has previous criminal convictions for~~An Offeror may lack integrity if the District determines the Offeror demonstrates a lack of business ethics such as violation of state environmental laws or false certifications made to a Contracting Agency. A Contracting Agency may find an Offeror not Responsible based on the lack of integrity of any Person having influence or control over the Offeror (such as a key employee of the Offeror that has the authority to significantly influence the Offeror's performance of the Contract or a parent company, predecessor or successor Person). The standards for Conduct Disqualification under PPS 49-0370 may be used to determine an Offeror's integrity. The District may find an Offeror non-responsible based on previous conviction id offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the ~~Bidder's~~Offeror's performance of a contract or subcontract. The District shall ~~document the Bidder's record of integrity in the Procurement File if the District finds under this subparagraph that the Bidder is not responsible;~~make its basis for determining that an Offeror is non responsible under this paragraph in the solicitation file;

(h) Is legally qualified to contract with the District; and

(a) ~~Supplied~~Has supplied all necessary information in connection with the inquiry concerning responsibility. If ~~a Bidder~~an Offeror fails to promptly supply information requested by the District concerning responsibility ~~that the District requests~~, the District shall determine the ~~Bidder's~~Offeror's responsibility based on any available information, or may find that the ~~Bidder~~Offeror is not responsible.

(3) Documenting Agency Determinations. The District ~~must~~shall document its compliance with ORS 279C.375(3) and the above sections of this ~~Rule~~rule on a Responsibility Determination Form substantially as set forth in ~~ORS~~ 279.375(3)(c), and file that form with the Construction Contractors Board within 30 ~~Days~~days after Contract ~~Award~~award.

(4) District Evaluation. The District ~~must~~shall evaluate an Offer only as set forth in the Solicitation Document and in accordance with applicable law. The District ~~must~~shall not evaluate an Offer using any other requirement or criterion.

(5) Offeror Submissions.

(a) The District may require an Offeror to submit Product Samples, Descriptive Literature, technical data, or other material, and may also require any of the following prior to ~~Award~~award:

(A) Demonstration, inspection, or testing of a product for characteristics such as compatibility, quality, or workmanship;

(B) Examination of such elements as appearance or finish; or

(C) Other examinations to determine whether the product conforms to ~~Specifications~~specifications.

(b) The District ~~must~~shall evaluate product acceptability only in accordance with the criteria disclosed in the Solicitation Document to determine that a product is acceptable. The District ~~must~~shall reject an Offer providing any product that does not meet the Solicitation Document requirements. The District's rejection of an Offer because it offers nonconforming Work or materials is not ~~disqualification~~Disqualification and is not appealable under ORS 279C.445.

(6) Evaluation of Bids. The District ~~must~~shall use only objective criteria to evaluate Bids as set forth in the ITB. The District ~~must~~shall evaluate Bids to determine which Responsible Offeror Offers the lowest Responsive Bid.

(a) Nonresident ~~Bidders~~bidders. In determining the lowest Responsive Bid, the District ~~must~~shall add a percentage increase to the Bid of a nonresident ~~Bidder~~bidder equal to the percentage, if any, of the preference given to that ~~Bidder~~bidder in the state in which the ~~Bidder~~bidder resides.

(b) Clarifications. In evaluating Bids, the District may seek information from a ~~Bidder~~bidder only to clarify the ~~Bidder's~~bidder's Bid. Such clarification ~~must~~shall not vary, contradict, or supplement the Bid. A ~~Bidder must submit Written and Signed~~bidder shall submit written and signed clarifications and such clarifications ~~must~~shall become part of the ~~Bidder's~~bidder's Bid.

(c) Negotiation Prohibited. The District ~~must~~shall not negotiate scope of ~~Work~~work or other terms or conditions under an Invitation to Bid process prior to ~~Award~~award.

(7) Evaluation of Proposals. See PPS 49-0650 regarding ~~Rules~~rules applicable to Requests for Proposals.

PPS 49-0395 Notice of Intent to ~~Award~~award

(1) Notice. At least seven ~~Days~~days before the ~~Award~~award of a Public Improvement Contract, the District shall issue to each ~~Bidder~~bidder (pursuant to ORS 279C.375(2)) and each Proposer (pursuant to ORS 279C.410(7)), or post electronically or otherwise, a ~~Notice~~notice of the District's ~~Intent~~intent to ~~Award~~award the Contract. This requirement does not apply to ~~Award~~award of a Small ~~(under $5,000)~~ or Intermediate (informal ~~Competitive Quotes~~competitive quotes) Public Improvement Contract ~~Awarded~~awarded under ORS 279C.335(1)(c) or (d).

(2) Form and Manner of Posting. The form and manner of posting ~~Notice~~notice shall conform to customary practices within the District's ~~Procurement~~procurement system, and may be made electronically.

(3) Finalizing ~~Award~~award. The District's ~~Award~~award shall not be final until the later of the following:

(a) Seven ~~Days~~days after the date of the ~~Notice~~notice, unless the Solicitation Document provided a different period for protest; or

(b) The District provides a ~~Written~~written response to all timely filed protests that denies each protest and affirms the ~~Award~~award.

(4) Prior Notice Impractical. Posting of ~~Notice~~notice of ~~Intent~~intent to ~~Award~~award shall not be required when the District determines that it is impractical due to unusual time constraints in making prompt ~~Award~~award for its immediate ~~Procurement~~procurement needs, documents the ~~Procurement File~~solicitation file as to the reasons for that determination, and posts ~~Notice~~notice of that action as soon as reasonably practical.

PPS 49-0400 Documentation of ~~Award~~award; Availability of ~~Award~~award Decisions

(1) Basis of Award. After ~~Award~~award, the District ~~must~~shall make a record showing the basis for determining the successful Offeror part of the District's ~~Procurement File~~Solicitation file.

(2) Contents of Award Record for Bids. The District's record ~~must~~shall include:

(a) All submitted Bids.

(b) Completed ~~Bid~~bid tabulation sheet; and

(c) Written justification for any rejection of lower Bids.

(3) Contents of Award Record for Proposals. Where the use of Requests for Proposals is authorized as set forth in PPS 49-0650, the District's record ~~must~~shall include:

(a) All submitted Proposals.

(b) The completed evaluation of the Proposals;

(c) Written justification for any rejection of higher-scoring Proposals or for failing to meet mandatory requirements of the Request for ~~Proposal~~proposal; and

(d) If the District permitted negotiations in accordance with PPS 49-0650, the District's completed evaluation of the initial Proposals and the District's completed evaluation of final Proposals.

(4) Contract Document. The District ~~must~~shall deliver a fully executed copy of the final Contract to the successful Offeror.

(5) Bid Tabulations and Award Summaries. Upon request of any Person, the District ~~must~~shall provide tabulations of ~~Awarded~~awarded Bids or evaluation summaries of Proposals for a nominal charge which may be payable in advance. Requests ~~must~~shall contain the Solicitation Document number and, if requested, be accompanied by a self-addressed, stamped envelope. The District may also provide tabulations of Bids and Proposals ~~Awarded~~awarded on designated Web ~~sites~~site or the District's Electronic procurement System.

(6) Availability of ~~Procurement~~Solicitation Files. The District ~~must~~shall make completed ~~Procurement Files~~solicitation files available for public review at the District.

(7) Copies from ~~Procurement~~Solicitation Files. Any Person may obtain copies of material from ~~Procurement Files~~Solicitation files upon payment of a reasonable copying charge.

PPS 49-0410 Time for District Acceptance; Extension

(1) Time for Offer Acceptance. An Offeror's ~~Bid~~bid, or ~~Proposal~~proposal submitted as a Firm Offer (see PPS 49-0280), is irrevocable, valid, and binding on the Offeror for not less than 60 ~~Days~~days from Closing unless otherwise specified in the Solicitation Document.

(2) Extension of Acceptance Time. The District may request, orally or in ~~Writing~~writing, that Offerors extend, in ~~Writing~~writing, the time during which the District may consider and accept their Offer(s). If an Offeror agrees to such extension, the Offer ~~must~~shall continue as a Firm Offer, irrevocable, valid, and binding on the Offeror for the agreed-upon extension period.

PPS 49-0420 Negotiation With Bidders Prohibited

(1) Bids. Except as permitted by ORS 279C.340 and PPS 49-0430 when all ~~Bids~~bids exceed the ~~Cost Estimate~~cost estimate, the District ~~must~~shall not negotiate with any ~~Bidder~~bidder prior to Contract ~~Award~~award. After ~~Award~~award of the Contract, the District and the Contractor may only modify the resulting Contract by ~~Change Order or Amendment~~change order or amendment to the Contract in accordance with PPS ~~49-0860~~49-0910.

(2) Requests for Proposals. The District may only conduct discussions or negotiations with Proposers in accordance with the requirements of PPS 49-0650.

PPS 49-0430 Negotiation When Bids Exceed Cost Estimate

(1) Generally. In accordance with ORS 279C.340, if all Responsive Bids from Responsible ~~Bidders~~bidders on a competitively ~~Bid Project~~bid project exceed the District's Cost Estimate, prior to Contract ~~Award~~award the District may negotiate Value Engineering and Other Options with the Responsible ~~Bidder~~bidder submitting the lowest Responsive ~~Bid~~bid in an attempt to bring the ~~Project~~project within the

District's Cost Estimate. The subcontractor disclosure and substitution requirements of PPS 49-0360 do not apply to negotiations under this ~~Rule~~rule.

(2) Definitions. The following definitions apply to this ~~Rule~~rule:

(a) "Cost Estimate" means the District's most recent ~~pre-Bid, good-faith~~pre-bid, good faith assessment of anticipated Contract costs, consisting either of an estimate of an ~~Architect, Engineer~~architect, engineer, or other qualified professional, or confidential cost calculation ~~worksheets~~work sheets, where available, and otherwise consisting of formal planning or budgetary documents.

(b) "Other Options" means those items generally considered appropriate for negotiation in the RFP process, relating to the details of Contract performance as specified in PPS 49-0650, but excluding any material requirements previously announced in the ~~solicitation~~Solicitation process that would likely affect the field of competition.

(c) "Project" means a Public Improvement.

(d) "Value Engineering" means the identification of alternative methods, materials, or systems which provide for comparable function at reduced initial or life-time cost. It includes proposed changes to the plans, ~~Specifications~~specifications, or other Contract requirements that may be made, consistent with industry practice, under the ~~Original~~original Contract by mutual agreement in order to take advantage of potential cost savings without impairing the essential functions or characteristics of the Public Improvement. Cost savings include those resulting from ~~Life-Cycle~~life cycle Costing, which may either increase or decrease absolute costs over varying time periods.

(3) Rejection of Bids. In determining whether all Responsive Bids from Responsible ~~Bidders~~bidders exceed the Cost Estimate, only those Bids that have been formally rejected, or Bids from ~~Bidders~~bidders who have been formally disqualified by the District, ~~must~~shall be excluded from consideration.

(4) Scope of Negotiations. The District ~~must~~shall not proceed with Contract ~~Award~~award if the scope of the ~~Project~~project is significantly changed from the original ~~Bid.~~bid. The scope is considered to have been significantly changed if the pool of competition would likely have been affected by the change; that is, if other ~~Bidders~~bidders would have been expected by the District to participate in the Bidding process had the change been made during the ~~solicitation~~Solicitation process rather than during negotiation. This ~~Rule must~~rule shall not be construed to prohibit ~~solicitation~~re-solicitation of trade subcontracts.

(5) Discontinuing Negotiations. The District may discontinue negotiations at any time, and ~~must~~shall do so if it appears to the District that the apparent low ~~Bidder~~bidder is not negotiating in good faith or fails to share cost and pricing information upon request. Failure to ~~re-Bid~~rebid any portion of the ~~Project~~project, or to obtain subcontractor pricing information upon request, ~~must~~shall be considered a lack of good faith.

(6) Limitation. Negotiations may be undertaken only with the lowest Responsive, Responsible ~~Bidder~~bidder pursuant to ORS 279C.340. That statute does not provide any additional authority to further negotiate with ~~Bidders~~bidders next in line for Contract ~~Award~~award.

(7) Public Records. To the extent that a ~~Bidder's~~bidder's records used in Contract negotiations under ORS 279C.340 are public records, they are exempt from disclosure until after the negotiated Contract has been ~~Awarded~~awarded or the negotiation process has been terminated, at which time they are subject to disclosure pursuant to the provisions of the Oregon Public Records Law, ORS ~~192.410~~192.311 through ~~192.505~~192.478.

PPS 49-0440 Rejection of Offers

(1) Rejection of an Offer.

(a) The District may reject any Offer upon finding that to accept the Offer may impair the integrity of the ~~Procurement~~procurement process or that rejecting the Offer is in the public interest.

(b) The District ~~will~~shall reject an Offer upon the District's finding that the Offer:

(A) Is contingent on the District's acceptance of terms and conditions (including ~~Specifications~~specifications) that differ from the Solicitation Document, ~~or~~

(B) Takes exception to terms and conditions (including ~~Specifications~~specifications), ~~or~~

(C) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of the Solicitation Document or in contravention of applicable law; ~~or~~

(D) Offers Work that fails to meet the ~~Specifications~~specifications of the Solicitation ~~Document; or~~Documents;

(E) Is late; or

(F) Is not in substantial compliance with the Solicitation Document; or

(G) Is not in substantial compliance with all prescribed public solicitation procedures.

(c) The District ~~will~~shall reject an Offer upon the District's finding that the Offeror:

(A) Has not been prequalified under ORS 279C.430 and the District required mandatory prequalification; ~~or~~

(B) Has been ~~disqualified~~Disqualified; ~~or~~

(C) Has been declared ineligible under ORS 279C.860 by the Commissioner of ~~BOLI~~the Bureau of Labor and Industries and the Contract is for a Public Work; ~~or~~

(D) Is listed as not qualified by the Construction Contractors Board, if the Contract is for a Public Improvement; ~~or~~

(E) Has not met the requirements of ORS 279A.105 if required by the Solicitation Document; ~~or~~

(F) Has not submitted properly executed ~~Bid or Proposal~~bid or proposal security as required by the Solicitation Document; ~~or~~

(G) Has failed to provide the certification required under ~~Section~~section (3) of this ~~Rule~~rule; or

(H) Is not Responsible. See PPS 49-0390(2) regarding District determination that the Offeror has met statutory standards of responsibility.

(2) Form of Business. For purposes of this ~~Rule~~rule, the District may investigate any Person submitting an Offer. The investigation may include that Person's officers, directors, owners, affiliates, or any other Person acquiring ownership of the Person to determine application of this ~~Rule~~rule or to apply the ~~disqualification~~Disqualification provisions of ORS 279C.440 ~~through~~to 279C.450 and PPS 49-0370.

(3) Certification of Non-Discrimination. The Offeror ~~must~~shall certify and deliver to the District ~~Written~~written certification, as part of the Offer, that the Offeror has not discriminated and will not discriminate against any disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business ~~enterprises~~, or a veteran-owned business ~~that a service-disabled veteran owns~~, in obtaining any required subcontracts. Failure to do so shall be grounds for disqualification.

(4) Contract and Subcontract Conditions. If the District awards a Contract to an Offeror that has been determined to be responsible under ORS 200.005(8)5 and 200.045(3),6 or awards a Contract under ORS 279A.100:7

(a) The District ~~must~~shall provide, as a material condition of the Contract:

(A) That the Contractor ~~must~~shall maintain its certification under ORS 200.055 throughout the term of the Contract and any extensions (if the Contracting Agency used the certification as a factor in or as a basis for the award of the Contract);

(B) That the Contractor ~~must~~shall promptly pay each subcontractor that is certified under ORS 200.055 in accordance with ORS 279B.220, or 279C.570 and ORS 279C.580, whichever apply to the Contract;

(C) That the Contractor ~~must~~shall include, in any subcontract the Contractor establishes in connection with the Contract, a provision that requires the subcontractor to maintain the subcontractor's certification under ORS 200.055 throughout the term of the subcontract and any extensions (if the Contractor used the certification as a factor in or as a basis for the award of the subcontract);

(D) That the District may require the Contractor to terminate a subcontract with a subcontractor that fails to maintain its certification under ORS 200.055 throughout the term of the subcontract and any extensions.

(b) In the administration of Contracts that are subject to ~~Section~~section (4) of this rule, the District ~~must~~shall verify the Contractor's and any subcontractor's compliance with Subsection (4)(a) of this rule.

(c) Subparagraph (4)(a)(A) of this section does not apply to an emerging small business that ceases to qualify as a tier one firm or a tier two firm (as ORS 200.005 defines those terms) due to the growth in the business's number of full-time equivalent employees or in average annual gross receipts during the term of the Contract. This ~~Section~~section (4) does not apply to an emerging small business for which a certification under ORS 200.055 expires during the term of the Contract or any extensions.

(5) Rejection of all Offers. The District may reject all Offers for ~~good cause~~Good Cause upon the District's ~~Written Finding~~written finding that it is in the public interest to do so. The District ~~must~~shall notify all Offerors of the rejection of all Offers, along with the good-cause justification and ~~Finding~~finding.

(6) Criteria for Rejection of All Offers. The District may reject all Offers upon a ~~Written Finding~~written finding that:

(a) The content of or an error in the Solicitation Document or the ~~solicitation~~Solicitation process unnecessarily restricted competition for the Contract;

(b) The price, quality, or performance presented by the Offerors is too costly or of insufficient quality to justify acceptance of the Offer;

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[5] A bidder or proposer that the Governor's Policy Advisor for Economic and Business Equity determines has undertaken both a policy and a practice of actively pursuing participation by minority-owned businesses, women-owned businesses, businesses that ~~service-disabled~~ veterans own or emerging small businesses in all of the bidder's or proposer's bids or proposals, both public and private.

[6] A bidder or proposer has made good faith efforts to encourage required participants to participate by taking all of the actions list in ORS 200.045(3).

[7] An affirmative action program adopted under ORS 279A.100 for goods and services contracts or any other contract under $50,000.

(c) Misconduct, error, or ambiguous or misleading provisions in the Solicitation Document threaten the fairness and integrity of the ~~Competitive~~competitive process;

(d) Causes other than legitimate market forces threaten the integrity of the ~~Competitive Procurement~~competitive procurement process. These causes include, but are not limited to, those that tend to limit competition such as restrictions on competition, collusion, corruption, unlawful anti-competitive conduct, and inadvertent or intentional errors in the Solicitation Document;

(e) The District cancels the ~~solicitation~~Solicitation in accordance with PPS 49-0270; or

(f) Any other circumstance indicating that ~~Awarding~~awarding the Contract would not be in the public interest.

PPS 49-0450 Protest of Contractor Selection, Contract ~~Award~~award

(1) Purpose. An adversely affected or aggrieved Offeror ~~must~~shall exhaust all avenues of administrative review and relief before seeking judicial review of the District's Contractor selection or Contract ~~Award~~award decision.

(2) Notice of Competitive Range. Unless otherwise provided in the RFP, when the ~~Competitive Proposal~~competitive proposal process is authorized under PPS 49-0650, the District ~~must~~shall provide ~~Written Notice~~written notice to all Proposers of the District's determination of the Proposers included in the ~~Competitive~~competitive Range. The District's ~~Notice~~notice of the Proposers included in the ~~Competitive~~competitive Range ~~must~~shall not be final until the later of the following:

(a) ~~Ten Days~~10 days after the date of the ~~Notice~~notice, unless otherwise provided therein; or

(b) Until the District provides a ~~Written~~written response to all timely filed protests that denies the protest and affirms the ~~Notice~~notice of the Proposers included in the ~~Competitive~~competitive Range.

(3) Notice of Intent to ~~Award~~award. Unless otherwise provided in the Solicitation Document, the District ~~must~~shall provide ~~Written Notice~~written notice to all Offerors of the District's ~~Intent~~intent to ~~Award~~award the Contract as provided in PPS 49-0395.

(4) Right to Protest ~~Award~~award.

(a) An adversely affected or aggrieved Offeror may submit to the District a ~~Written~~written protest of the District's ~~Intent to Award~~intent to award within seven ~~Days~~days after issuance of the ~~Notice~~notice of ~~Intent~~intent to ~~Award~~award the Contract, unless a different protest period is provided under the Solicitation Document.

(b) The Offeror's protest ~~must~~shall be in ~~Writing~~writing and ~~must~~shall specify the grounds on which the protest is based.

(c) An Offeror is adversely affected or aggrieved only if the Offeror is eligible for ~~Award~~award of the Contract as the Responsible ~~Bidder~~bidder submitting the lowest Responsive ~~Bid~~bid or the Responsible Proposer submitting the best Responsive ~~Proposal~~proposal and is next in line for ~~Award~~award, i.e., the protesting Offeror ~~must~~shall claim that all lower ~~Bidders~~bidders or higher-scored Proposers are ineligible for ~~Award~~award:

(A) Because their Offers were ~~Non-Responsive~~nonresponsive; or

(B) The District committed a substantial violation of a provision in the Solicitation Document or of an applicable ~~Procurement~~procurement statute or administrative rule, and the protesting Offeror was unfairly evaluated and would have, but for such substantial violation, been the Responsible ~~Bidder~~bidder offering the lowest ~~Bid~~bid or the Responsible Proposer offering the ~~highest-ranked Proposal~~highest ranked proposal.

(d) The District ~~will~~shall not consider a protest submitted after the time period established in this ~~Rule~~rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest the District's decision not to increase the size of the ~~Competitive~~competitive Range above the size of the ~~Competitive~~competitive Range set forth in the RFP.

(5) Right to Protest Competitive Range.

(a) An adversely affected or aggrieved Proposer may submit to the District a ~~Written~~written protest of the District's decision to exclude the Proposer from the ~~Competitive~~competitive Range within seven ~~Days~~days after issuance of the ~~Notice~~notice of the ~~Competitive~~competitive Range, unless a different protest period is provided under the Solicitation Document. (See procedural requirements for the use of RFPs at PPS 49-0650.)

(b) The Proposer's protest ~~must~~shall be in ~~Writing~~writing and ~~must~~shall specify the grounds on which the protest is based.

(c) A Proposer is adversely affected only if the Proposer is responsible and submitted a Responsive ~~Proposal~~proposal and is eligible for inclusion in the ~~Competitive~~competitive Range, i.e., the protesting Proposer ~~must~~shall claim it is eligible for inclusion in the ~~Competitive~~competitive Range if all ineligible higher-scoring Proposers are removed from consideration, and that those ineligible Proposers are ineligible for inclusion in the ~~Competitive~~competitive Range because:

(A) Their Proposals were not Responsive; or

(B) The District committed a substantial violation of a provision in the RFP or of an applicable ~~Procurement~~procurement statute or administrative rule, and the protesting Proposer was unfairly evaluated and would have, but for such substantial violation, been included in the ~~Competitive~~competitive Range.

(d) The District ~~must~~shall not consider a protest submitted after the time period established in this ~~Rule~~rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest the District's decision not to increase the size of the ~~Competitive~~competitive Range above the size of the ~~Competitive~~competitive Range set forth in the RFP.

(6) Authority to Resolve Protests. The Superintendent may settle or resolve a ~~Written~~written protest submitted in accordance with the requirements of this ~~Rule~~rule.

(7) Decision. If a protest is not settled, the Superintendent, or such Person's designee, ~~must~~shall promptly issue a ~~Written~~written decision on the protest. Judicial review of this decision will be available if provided by statute.

(8) Award. The successful Offeror ~~must~~shall promptly execute the Contract after the ~~Award~~award is final. The District ~~must~~shall execute the Contract only after it has obtained all applicable required documents and approvals.

PPS 49-0460 Performance and Payment Security; Waiver

(1) Public Improvement Contracts. Unless the required performance bond is waived under ORS 279C.380(1)(a) or this ~~Rule~~rule, excused in cases of emergency under ORS 279C.380(4), or unless the District exempts a Contract or classes of Contracts from the required performance bond and payment bond pursuant to ORS 279C.390, the Contractor ~~must~~shall execute and deliver to the District a performance bond and a payment bond each in a sum equal to the Contract Price for all Public Improvement Contracts. This requirement applies only to Public Improvement Contracts with a value, estimated by the District, of more than $100,000 or, in the case of Contracts for highways, bridges and other transportation projects, more than $50,000. See 279C.380(5). Also see OAR 137-049-0815 and BOLI rules at 839-025-0015 regarding the separate requirement for a Public Works bond.

(2) Other Construction Contracts. The District may require performance security for other construction Contracts that are not Public Improvement Contracts. Such requirements ~~must~~shall be expressly set forth in the Solicitation Document.

(3) Requirement for Surety Bond. The District ~~must~~shall accept only a performance bond furnished by a surety company authorized to do business in Oregon unless otherwise specified in the Solicitation Document (i.e., the District may accept a cashier's check or certified check in lieu of all or a portion of the required performance bond if specified in the Solicitation Document). The payment bond ~~must~~shall be furnished by a surety company authorized to do business in Oregon, and in an amount equal to the full Contract Price.

(4) Time for Submission. The apparent successful Offeror ~~must~~shall promptly furnish the required performance security at the District's request. If the Offeror fails to furnish the performance security as requested, the District may reject the Offer and ~~Award~~award the Contract to the Responsible ~~Bidder~~bidder with the next lowest Responsive ~~Bid~~bid or the Responsible Proposer with the next highest-scoring Responsive ~~Proposal~~proposal, and, at the District's discretion, the Offeror ~~must~~shall forfeit its ~~Bid or Proposal~~bid or proposal security.

~~**(5) Public Improvement Contracts Under $100,000**. The Superintendent may, in his or her discretion, waive the Bid security requirements and performance and payment bond requirements of ORS 279C.380 if the amount of the Contract for the Public Improvement is $100,000 or less.~~

PPS 49-0470 Substitute Contractor

If the Contractor provided a performance bond, the District may afford the Contractor's surety the opportunity to provide a substitute ~~Contractor~~contractor to complete performance of the Contract. A substitute ~~Contractor must~~contractor shall perform all remaining Contract Work and comply with all terms and conditions of the Contract, including the provisions of the performance bond and the payment bond. Such substitute performance does not involve the ~~Award~~award of a new Contract and ~~must~~shall not be subject to the ~~Competitive Procurement~~competitive procurement provisions of ORS 279C.

PPS 49-0490 Foreign Contractor

If the Contract Price exceeds $10,000 and the Contractor is a Foreign Contractor, the Contractor ~~must~~shall promptly report to the Oregon Department of Revenue on forms provided by the Department of Revenue, the Contract Price, terms of payment, Contract duration, and such other information as the Department of Revenue may require before final payment can be made on the Contract. A copy of the report ~~must~~shall be forwarded to the District. The District ~~Awarding the Contract must~~shall satisfy itself that the above requirements have been complied with before it issues final payment on the Contract.

ALTERNATIVE CONTRACTING METHODS

PPS 49-0600 Alternative Contracting Methods; Purpose

These PPS 49-0600 to PPS 49-0690 ~~Rules~~rules are intended to provide guidance to the District regarding the use of Alternative Contracting Methods for Public Improvement Contracts, as may be directed by the Contract Review Board under ORS 279C.335. These Alternative Contracting Methods include, but are not limited to, the following forms of contracting: Design-Build, Energy Savings Performance, and the Construction Manager/General Contractor Method. To the extent any such Alternative Contracting Methods are utilized within the competitive bidding process set forth in ORS 279C.335(1), these OAR 137-049-0600 to 137-049-0690 rules are advisory only and may be used or referred to by the District in whole, in part or not at all, within the discretion of the District. As to ESPC contracting, these PPS 49-0600 through PPS 49-0690 ~~Rules~~rules implement the requirements of ORS 279C.335 pertaining to the adoption of Model Rules appropriate for use by the entire District to govern the procedures for entering into ESPCs. As to contracting for Construction Manager General Contractor ~~Services~~services, requiring an exemption from competitive bidding under ORS 279C.335(2), PPS 49-0600 to 49-0690 include mandatory and optional provisions

pertaining to the procurement of Construction Manager/General Contractor ~~Services~~services, pursuant to the requirements of ORS 279C.337.

PPS 49-0610 Definitions for Alternative Contracting Methods

The following definitions ~~must~~shall apply to ~~Rules~~rules PPS 49-0600 to 49-0690, unless the context requires otherwise:

(1) **~~"~~Affiliate~~"~~** has the meaning set forth in ORS 279C.332(1).

(2) **~~"~~Alternative Contracting Methods~~"~~** mean innovative techniques for procuring or performing Public Improvement Contracts, utilizing processes other than the traditional methods involved in the design-bid-build construction contracting method (with ~~Award~~award of a Public Improvement Contract based solely on price, in which a final design is issued with formal ~~Bid Documents~~bid documents, construction services are obtained by sealed ~~Bid~~bid awarded to the Responsible ~~Bidder~~bidder submitting the lowest Responsive ~~Bid~~bid, and the project is built in accordance with those ~~Documents~~documents). In industry practice, such methods commonly include variations of Design-Build contracting, CM/GC forms of contracting, and ESPCs, which are specifically addressed in these PPS 49-0600 to 49-0690 ~~Rules~~rules. These methods also include other developing techniques which include but are not limited to general "performance contracting," "cost-plus-time " contracting, (as more particularly described in ORS 279C.332(3)(b)(D)(iii)(I)) and "qualifications plus project approach" contracting (as more particularly described in ORS 279C.332(3)(b)(D)(iii)(II)). Procedural requirements for these methods are identified in these PPS 49-0600 to 49-0690 rules when the District uses an Alternative Contracting Method in a procurement that requires an exemption from competitive bidding under ORS 279C.335(2) or in an ESPC procurement that is excepted from competitive bidding under ORS 279.335(1).

(3) **~~"~~Construction Manager/General Contractor~~"~~** (or **"CM/GC"**) has the meaning set forth in ORS 279C.332(2).

(4) **~~"~~Construction Manager/General Contractor Method~~"~~** (or **"CM/GC Method"**) means the Alternative Contracting Method which involves a District's selection of a CM/GC to perform CM/GC ~~Services~~services for a project or projects.

(5) **~~"~~Construction Manager/General Contractor Services~~"~~** (or **"CM/GC Services"**) has the meaning set forth in ORS 279C.332(3).

(6) **~~"~~Design-Build~~"~~** means a form of ~~Procurement~~procurement that results in a Public Improvement Contract in which the construction Contractor also provides or obtains specified design services, participates on the ~~Project~~project team with the District, and manages both design and construction. In this form of Contract, a single Person provides the District with all of the Personal ~~Services~~services and construction Work necessary to both design and construct the ~~Project~~project.

(7) **~~"~~Early Work~~"~~** means construction services, construction materials and other Work authorized by the parties to be performed under the CM/GC Contract in advance of the establishment of the GMP, fixed price or other maximum, not-to-exceed price for the project. Permissible Early Work shall be limited to early procurement of materials and supplies, early release of bid or proposal packages for site development and related activities, and any other advance Work related to important components of the project for which performance prior to establishment of the GMP will materially and positively affect the development or completion of the project.

(8) **~~"~~Energy Conservation Measures~~"~~ (or "ECMs")** (also known as **"~~Energy Efficiency Measures~~energy efficiency measures"**) means, as used in ESPC ~~Procurement~~procurement, any equipment, fixture, or furnishing to be added to or used in an existing building or structure, and any repair, alteration, or improvement to an existing building or structure that is designed to reduce energy consumption and related costs, including those costs related to electrical energy, thermal energy, water consumption, waste disposal, and future ~~Contract-labor~~contract-labor costs and materials costs associated with maintenance of the building

or structure. For purposes of these PPS 49-0600 to 49-0690 ~~Rules~~rules, use of either or both of the terms "building" or "structure" ~~must~~shall be deemed to include existing energy, water, and waste disposal systems connected or related to or otherwise used for the building or structure when such system(s) are included in the ~~Project~~project, either as part of the ~~Project~~project together with the building or structure, or when such system(s) are the focus of the ~~Project~~project. Maintenance services are not Energy Conservation Measures for purposes of these PPS 49-0600 to 49-0690 ~~Rules~~rules.

(9) ~~"~~"Energy Savings Guarantee"~~"~~ means the energy savings and performance guarantee provided by the ESCO under an ESPC ~~Procurement~~procurement, which guarantees to the District that certain energy savings and performance will be achieved for the ~~Project~~project covered by the RFP through the installation and implementation of the agreed-upon ECMs for the ~~Project~~project. The Energy Savings Guarantee ~~must~~shall include, but ~~must~~shall not be limited to, the specific energy savings and performance levels and amounts that will be guaranteed, provisions related to the financial remedies available to the District in the event the guaranteed savings and performance are not achieved, the specific conditions under which the ESCO will guarantee energy savings and performance (including the specific responsibilities of the District after final completion of the design and construction phase), and the term of the energy savings and performance guarantee.

(10) ~~"~~"Energy Savings Performance Contract"~~"~~ (or "ESPC") means a Public Improvement Contract between the District and a Qualified Energy ~~Service~~service Company for the identification, evaluation, recommendation, design, and construction of Energy Conservation Measures, including a Design-Build Contract, that guarantee energy savings or performance.

(11) ~~"~~"General Conditions Work"~~"~~ (or "GC Work") means a general grouping of project Work required to support construction operations on the project that is not ~~separately invoiced or subcontracted by the Contractor or~~ included within the Contractor's overhead or fee.

(12) ~~"~~"Guaranteed Maximum Price"~~"~~ (or "GMP") has the meaning set forth in ORS 279C.332(4), pertaining to procurements for CM/GC ~~Services~~services. For Alternative Contracting Methods other than the CM/GC Method, "Guaranteed Maximum Price" or "GMP" means the total maximum price provided to the District by the Contractor, and accepted by the District, that includes all reimbursable costs of and fees for completion of the Contract Work, and any particularly identified contingency amounts as defined by the Public Improvement Contract.

(13) ~~"~~"Measurement and Verification"~~"~~ (or "M & V") means, as used in ESPC ~~Procurement~~procurement, the examination of installed ECMs using the International Performance Measurement and Verification Protocol ("IPMVP"), or any other comparable protocol or process, to monitor and verify the operation of energy-using systems pre-installation and post-installation.

(14) ~~"~~"Project Development Plan"~~"~~ means a secondary phase of ~~Services~~Personal services and Work performed by an ESCO in an ESPC ~~Procurement~~procurement when the ESCO performs more extensive design of the agreed-upon ECMs for the ~~Project~~project, provides the detailed provisions of the ESCO's Energy Savings Guarantee that the fully installed and commissioned ECMs will achieve a particular energy savings level for the building or structure, and prepares an overall report or plan summarizing the ESCO's services during this secondary phase of the ~~Work~~work and otherwise explaining how the agreed-upon ECMs will be implemented during the design and construction phase of the ~~Work~~work. The term "~~Project Development Plan~~project development plan" can also refer to the report or plan provided by the ESCO at the conclusion of this phase of the ~~Work~~work.

(15) ~~"~~"Qualified Energy Service Company"~~"~~ (or "ESCO") means, as used in ESPC ~~Procurement~~procurement, a company, firm, or other legal Person with the following characteristics: demonstrated technical, operational, financial, and managerial capabilities to design, install, construct, commission, manage, measure and verify, and otherwise implement Energy Conservation Measures and other Work on building systems or building components that are directly related to the ECMs in existing

buildings and structures; a prior record of successfully performing ESPCs on projects involving existing buildings and structures that are comparable to the ~~Project~~project under consideration by the District; and the financial strength to effectively guarantee energy savings and performance under the ESPC for the ~~Project~~project in question, or the ability to secure necessary financial measures to effectively guarantee energy savings under an ESPC for that ~~Project~~project.

(16) ~~"~~Savings~~"~~ has the meaning set forth in ORS 279C.337(4), pertaining to CM/GC ~~Services~~services procurements. For other Alternative Contracting Methods, "Savings" means a positive difference between a Guaranteed Maximum Price or other maximum not-to-exceed price set forth in a Public Improvement Contract and the actual cost of the Contractor's performance of the Contract Work payable by the District under the terms of the Contract, including costs for which the District reimburses a Contractor and fees, profits or other payments the Contractor earns.

(17) ~~"~~Technical Energy Audit,~~"~~ means, as used in ESPC ~~Procurement means~~procurement, the initial phase of ~~Services~~services to be performed by an ESCO that includes a detailed evaluation of an existing building or structure, an evaluation of the potential ECMs that could be effectively utilized at the facility, and preparation of a report to the District of the ESCO's ~~Findings~~findings during this initial phase of the ~~Work~~work. The term "Technical Energy Audit" can also refer to the report provided by the ESCO at the conclusion of this phase of the ~~Work~~work.

PPS 49-0620 Use of Alternative Contracting Methods

(1) Competitive Bidding Exemptions. ORS 279C requires a ~~Competitive Bidding~~competitive bidding process for Public Improvement Contracts unless a statutory exception applies, a class of Contracts has been exempted from the competitive bidding process, or an individual Contract has been exempted from the competitive bidding process in accordance with ~~ORS~~ 279C.335 and any applicable District ~~Rules~~rules. Use of Alternative Contracting Methods may be directed by the District if that use is within the competitive bidding process if feasible, or through an available statutory exception to the competitive bidding process. Use of Alternative Contracting Methods ~~must~~shall be directed through the District's Local Contract Review Board, however, when use of the Alternative Contracting Method requires an exemption to the prescribed competitive bidding requirement of ORS 279C.335. In any of these circumstances, use of Alternative Contracting Methods ~~must~~shall be justified in accordance with any applicable Code and District requirements and, if require, these PPS 049-0600 to 049-0690 ~~Rules~~rules. See PPS 49-0630 regarding required ~~Findings~~findings and restrictions on exemptions from the competitive bidding requirements under ORS 279C.335.

(2) Energy Savings Performance Contracts. ESPCs are excepted from the ~~Competitive~~competitive Bidding requirements for Public Improvement Contracts pursuant to ORS 279C.335(1)(f) if the District complies with the procedures set forth in these PPS 49-0600 through 49-0690 or parallel administrative rules meeting the requirements of ORS 279A.065 related to the ~~solicitation, Rules~~Solicitation, rules related to the solicitation, negotiation and contracting for ESPC Work. If those procedures are not followed, an ESPC procurement may still be exempted from competitive bidding requirements by following the general exemption procedures within ORS 279C.335.

(3) Post-Project Evaluation. ORS 279C.355 requires that the District prepare a formal ~~post-Project~~post-project evaluation of Public Improvement ~~Projects~~projects in excess of $100,000 when the District does not use the competitive bidding process required by ORS 279C.335. The purpose of this evaluation is to determine whether it was actually in the District's best interest to use an Alternative Contracting Method outside the competitive bidding process. The evaluation ~~must~~shall be delivered to the Contract Review Board of the District as applicable within 30 ~~Days~~days of the date the District "accepts" the Public Improvement ~~Project~~project, which event is typically defined in the Contract. In the absence of such definition, acceptance of the ~~Project~~project occurs on the later of the date of final payment or the date of final completion of the Contract Work. ORS 279C.355 describes the timing and content of this evaluation, with three required elements:

(a) Financial information, consisting of ~~Cost Estimates~~cost estimates, any GMP changes, and actual costs;

(b) A narrative description of successes and failures during design, engineering, and construction; and

(c) An objective assessment of the use of the Alternative Contracting Method as compared to the exemption ~~Findings~~findings.

PPS 49-0630 Findings, Notice, and Hearing

(1) Cost Savings and Other Substantial Benefits Factors. When ~~Findings~~findings are required under ORS 279C.335 to exempt a Contract or class of Contracts from the ~~Competitive~~competitive Bidding requirements, the "substantial cost savings" ~~criterion~~ and "other substantial benefits "criteria at ORS 279C.335(2)(b) require consideration of the type, cost, the amount of the Contract and, to the extent applicable, the other factors set forth in ~~the statute~~279C.335(2)(b). If a particular factor has no application whatsoever to the particular Public Improvement Contract or class of Public Improvement Contracts, the District Local Contract Review Board does not need to consider that factor, and the District is not required to address the factor, other than to explain why the factor has no application whatsoever to the particular Public Improvement Contract or class of Public Improvement Contracts.

(2) Required Information. The statutory definition of "~~Findings~~findings" at ORS 279C.330(2) which applies to exemptions from competitive bidding means the justification for the District's conclusion regarding the factors listed in both ORS 279C.335(2)(a) and 279C.335(2)(b) or, in the alternative, both ORS 279C.335(2)(a) and 279C.335(2)(c)..

(3) Addressing Cost Savings. Accordingly, when the Contract or class of Contracts under consideration for an exemption contemplates the use of Alternative Contracting Methods, the "substantial cost savings and other substantial benefits" requirement may be addressed by a combination of:

(a) Specified ~~Findings~~findings that address the factors and other information specifically identified by statute, including, but not limited to, an analysis or reasonable forecast of present and future cost savings and other substantial benefits; and

(b) Additional ~~Findings~~findings that address industry practices, surveys, trends, past experiences, evaluations of completed projects required by ORS 279C.355, and related information regarding the expected benefits and drawbacks of particular Alternative Contracting Methods. To the extent practicable, such ~~Findings must~~findings shall relate back to the specific characteristics of the ~~Project~~project or ~~Projects~~projects at issue in the exemption request; and

(c) As an alternative to the "substantial cost savings and other substantial benefits" requirement in ORS 279C.335(2)(b), if an Alternative Contracting Method has not been previously used, the District may make a ~~Finding~~finding that identifies the ~~Project~~project as a "pilot ~~Project~~project" under ORS 279C.335(2)(c). Nevertheless, the District ~~must~~shall still make the findings required in ORS 279C.335(2)(a).

(4) Favoritism and Competition. The criteria at ORS 279C.335(2)(a) that the exemption "is ~~likely~~unlikely to encourage favoritism" or "substantially diminish competition" may be addressed in contemplating the use of Alternative Contracting Methods by specifying the manner in which an RFP process will be utilized, that the ~~Procurement~~procurement will be formally advertised with public ~~Notice~~notice and disclosure of the planned Alternative Contracting Method, competition will be encouraged, ~~Award~~award will be made based ~~on~~upon identified selection criteria, and an opportunity will be given to protest that ~~Award~~award.

(5) Descriptions. ~~Findings~~findings supporting a competitive bidding exemption ~~must~~shall describe with specificity any Alternative Contracting Method to be used in lieu of competitive bidding, including, but not

limited to, whether a one-step (Request for ~~Proposals~~proposal), two-step (beginning with a Request for Qualification, followed by a Request for ~~Proposals~~proposal) or other solicitation process will be utilized. The ~~Findings~~findings may also describe anticipated characteristics or features of the resulting Public Improvement Contract. However, the purpose of an exemption from competitive bidding is limited to a determination of the ~~Procurement~~procurement method. Any unnecessary or incidental descriptions of the specific details of the anticipated Contract within the supporting ~~Findings~~findings are not binding upon the District. The parameters of the Public Improvement Contract are those characteristics or specifics that are announced in the Solicitation Document.

(6) Class Exemptions. In making the ~~Findings~~findings supporting a class exemption, the District ~~must~~shall clearly identify the ~~"~~class~~"~~ with respect to its defining characteristics, pursuant to the requirements of ORS 279C.335(3). The class ~~must~~shall meet the following requirements:

(a) The class cannot be based on a single characteristic or factor, so that an Agency directly or indirectly creates a class whereby the Agency uses, for example, the CM/GC Method for all Agency construction projects or all Agency construction projects over a particular dollar amount, unidentified future Agency construction projects of a particular work category, or all Agency construction projects from a particular funding source such as the sale of bonds; and

(b) The class ~~must~~shall include a combination of factors, be defined by the Agency through characteristics that reasonably relate to the exemption criteria set forth in ORS 279C.335(2) and ~~must~~shall reflect a detailed evaluation of those characteristics so that the class is defined in a limited way that effectively meets the Agency's objectives while allowing for impartial and open competition, and protecting the integrity of the exemption process. An example of a class that might be permitted under the statute is a series of projects, such as a specific group of building renovation projects, that:

(A) involve renovations for a common purpose;

(B) require completion on a related schedule in order to avoid unnecessary disruption of District operations;

(C) share common characteristics, such as historic building considerations, the presence of asbestos or other hazardous substances, or the presence of agency staff during construction;

(D) otherwise possess characteristics that meet the requirements of ORS 279C.335(2); and

(E) otherwise meet the requirements of the Director of the District Local Contract Review Board.

(7) Public Hearing. Before final adoption of ~~Findings~~findings exempting a Public Improvement Contract from the requirement of ~~Competitive~~competitive Bidding, the District shall give ~~Notice and hold~~notice and provide interested with the opportunity to request a public hearing as required by ORS 279C.335(5). The notice must state that, in response to a written request, the District will hold a public hearing for the purpose of taking comments on the draft Findings for an exemption from the competitive bidding requirement. If the District does not receive a written request from an interested party to hold a public hearing, the District may hold a public hearing, but is not required to hold a public hearing. ~~The~~If a hearing is requested, the District will ~~be~~hold a public hearing for the purpose of receiving public comment on the District's draft ~~Findings.~~findings.

PPS 49-0640 Competitive Proposals; Procedure

The District may utilize the following RFP process for Public Improvement Contracts, allowing flexibility in both ~~Proposal~~proposal evaluation and Contract negotiation, only in accordance with ORS 279C.330 to 279C.337, ORS 279C.400 through 279C.410 and PPS 49-0600 through 49-0690, unless other applicable statutes control the District's use of ~~Competitive~~competitive Proposals for Public Improvement Contracts.

Also see the ~~Section~~section of ~~Rules~~rules in this ~~Division~~division entitled Formal ~~Procurement Rules~~procurement rules, PPS 49-0200 through 49-0450, and RFP-related ~~Rules~~rules under the Alternative Contracting Methods ~~Section~~section at PPS 49-0640 through 49-0660. For ESPCs, the following RFP process as further specified in PPS 049-0645, 049-0650, 049-0660 and 049-0680 shall be utilized if the District desires the ~~Procurement~~procurement process to be exempt from the ~~Competitive~~competitive Bidding requirements of ORS 279C.335. The RFP process for the Alternative Contracting Methods identified in PPS 49-0600 through 49-0690 includes the following steps:

(1) Proposal Evaluation. Factors in addition to price may be considered in the selection process, but only as set forth in the RFP. ~~Proposal~~proposal evaluation ~~must~~shall be as objective as possible. Evaluation factors need not be precise predictors of future costs and performance, but to the extent possible such evaluation factors ~~must~~shall:

(a) Be reasonable estimates based on information available to the District;

(b) Treat all Proposals equitably; and

(c) Recognize that public policy requires that Public Improvements be constructed at the least overall cost to the District. See ORS 279C.305.

For ESPC ~~Proposal~~proposal evaluations, the District may provide in the RFP that qualifications-based evaluation factors will outweigh the District's consideration of price-related factors, due to the fact that prices for the major components of the ~~Work~~work to be performed during the ESPC process contemplated by the RFP will likely not be determinable at the time of ~~Proposal~~proposal evaluation. For CM/GC ~~Services Proposal~~services proposal evaluations, the District ~~must~~shall comply with ORS 279C.337.

(2) Evaluation Factors.

(a) In basic negotiated construction contracting where the only reason for an RFP is to consider factors other than price, those factors may consist of firm and personnel experience on similar projects, adequacy of equipment and physical plant, sources of supply, availability of key personnel, financial capacity, past performance, safety records, project understanding, proposed methods of construction, proposed milestone dates, references, service, and related matters that could affect the cost or quality of the ~~Work~~work.

(b) In CM/GC contracting, in addition to ~~Section (2)~~subsection (a) above, those factors may also include the ability to respond to the technical complexity or unique character of the ~~Project~~project, analyze and propose solutions or approaches to complex ~~Project~~project problems, analyze and propose value engineering options, analyze and propose energy efficiency measures or alternative energy options, coordinate multiple disciplines on the project, effectively utilize the time available to commence and complete the improvement, and related matters that could affect the cost or quality of the ~~Work~~work.

(c) In Design-Build contracting, in addition to ~~Sections (2)~~subsections (a) and ~~(2)~~(b) above, those factors may also include design professional qualifications, specialized experience, preliminary design submittals, technical merit, design-builder team experience, and related matters that could affect cost or quality of the work.

(d) In ESPC contracting, in addition to the factors set forth in ~~Sections (2)~~subsections (a)~~-~~, (b), and (c) above, those factors may also include sample Technical Energy Audits from similar projects, sample M & V reports, financial statements and related information of the ESCO for a time period established in the RFP, financial statements and related information of joint ventures comprising the ESCO, the ESCO's capabilities and experience in performing energy baseline studies for facilities (independently or in cooperation with an independent third-party energy baseline consultant), past performance of the ESCO in meeting energy guarantee contract levels, the specific Person that will provide the Energy Savings Guarantee to be offered by the ESCO,

the ESCO's management plan for the ~~Project~~project, information on the specific methods, techniques, and equipment that the ESCO will use in the performance of the ~~Work~~work under the ESPC, the ESCO's team members and consultants to be assigned to the ~~Project~~project, the ESCO's experience in the energy savings performance contracting field, the ESCO's experience acting as the prime contractor on previous ESPC projects (as opposed to a subcontractor or consultant to a prime ESCO), the ESCO's vendor and product neutrality related to the development of ECMs, the ESCO's project history related to removal from an ESPC project or the inability or unwillingness of the ESCO to complete an ESPC project, the ESCO's M & V capabilities and experience (independently or in cooperation with an independent third-party M & V consultant), the ESCO's ability to explain the unique risks associated with ESPC projects and the assignment of risk in the particular ~~Project~~project between the District and the ESCO, the ESCO's equipment performance guarantee policies and procedures, the ESCO's energy savings and cost savings guarantee policies and procedures, the ESCO's ~~Project~~project cost guarantee policies and procedures, the ESCO's pricing methodologies, the price that the ESCO will charge for the Technical Energy Audit phase of the ~~Work~~work, and the ESCO's fee structure for all phases of the ESPC ~~Project~~project.

(3) Contract Negotiations. Contract terms may be negotiated to the extent allowed by the RFP and PPS 49-0600 through PPS 49-0690, provided that the general Work scope remains the same and that the field of competition does not change as a result of material changes to the requirements stated in the Solicitation Document. See PPS 49-0650. Terms that may be negotiated consist of details of Contract performance; methods of construction, timing, and assignment of risk in specified areas; fee; and other matters that could affect the cost or quality of the ~~Work~~work. For the CM/GC Method, terms that may be negotiated also include the specific scope of pre-construction services, the GC Work, any Early Work and other construction Work to be performed by the CM/GC, and any other terms that the District has identified as being subject to negotiation, consistent with the requirements of OAR 137-049-0690. In ESPC contracting, terms that may be negotiated also include the scope of preliminary design of ECMs to be evaluated by the parties during the Technical Energy Audit phase of the ~~Work~~work, the scope of ~~Services~~services to be performed by the ESCO during the ~~Project~~project Development Plan phase of the ~~Work,~~work, the detailed provisions of the Energy Savings Guarantee to be provided by the ESCO, and scope of ~~Work~~work, methodologies, and compensation terms and conditions during the design and construction phase and M & V phase of the ~~Work~~work, consistent with the requirements of PPS 49-0680.

PPS 49-0645 Requests for Qualifications ("RFQ")

As provided by ORS 279C.405(1), the District may utilize a Request for Qualifications, (RFQ) to obtain information useful in the preparation or distribution of ~~an RFP~~a Request for Proposals (RFPs). When using an RFQ as the first step in a ~~two-step~~two step solicitation process in which distribution of the RFPs will be limited to the firms identified as most qualified through their submitted statements of qualification, the District ~~must~~shall first advertise and provide ~~Notice~~notice of the RFQ in the same manner in which RFPs are advertised, specifically stating that RFPs will be distributed only to the firms selected in the RFQ process. In such cases, the District ~~must~~shall also provide within the RFQ a protest provision substantially in the form of PPS 49-0450(5) regarding protests of the ~~Competitive~~competitive Range. Thereafter, the District may distribute RFPs to the selected firms without further advertisement of the ~~solicitation~~Solicitation.

PPS 49-0650 Requests for Proposals ("RFP")

(1) Generally. The use of ~~Competitive~~competitive Proposals ~~must~~shall be specially authorized for a Public Improvement Contract under the ~~Competitive~~competitive Bidding exception and exemption requirements of ORS 279C.335, PPS 49-0130, and PPS 49-0600 through 49-0690. Also see ORS 279C.337 and ORS 279C.400 to 279C.410 for statutory requirements regarding ~~Competitive~~competitive Proposals, and PPS 49-0640 regarding ~~Competitive Proposal~~competitive proposal procedures.

(2) Solicitation Documents. In addition to the Solicitation Document requirements of PPS 49-0200, this ~~Rule~~rule applies to the requirements for RFPs. RFP Solicitation Documents ~~must~~shall conform to the following standards:

(a) The District ~~must~~shall set forth selection criteria in the Solicitation Document. Examples of evaluation criteria include price or cost, quality of a product or service, past performance, management, capability, personnel qualification, prior experience, compatibility, reliability, operating efficiency, expansion potential, experience of key personnel, adequacy of equipment or physical plant, financial wherewithal, sources of supply, references, and warranty provisions. See PPS 49-0640 regarding proposal evaluation and evaluation factors. Evaluation factors need not be precise predictors of actual future costs and performance, but to the extent possible, such factors ~~must~~shall be reasonable estimates based on information available to the District. Subject to ~~ORS~~ 279(C).410(4), the Solicitation Document may provide for discussions with Proposers to be conducted for the purpose of ~~Proposal~~proposal evaluation prior to ~~Award~~award or prior to establishing any ~~Competitive~~competitive Range;

(b) When the District is willing to negotiate terms and conditions of the Contract or allow submission of revised Proposals following discussions, the District ~~must~~shall identify the specific terms and conditions in or provisions of the Solicitation Document that are subject to negotiation or discussion and authorize Offerors to propose certain alternative terms and conditions in lieu of the terms and conditions the District has identified as authorized for negotiation. The District shall describe the evaluation, discussion, and negotiation process, including how the District ~~will~~shall establish the ~~Competitive~~competitive Range, if any;

(c) The anticipated size of any ~~Competitive~~competitive Range ~~must~~shall be stated in the Solicitation Document but may be decreased if the number of Proposers that submit ~~Responsive~~responsive Proposals is less than the specified number, or may be decreased as provided in PPS 49-0650(4)(a).

(d) When the District intends to ~~Award~~award Contracts to more than one Proposer, the District shall identify in the Solicitation Document the manner in which it will determine the number of Contracts it will ~~Award~~award. The District ~~must~~shall also include the criteria it will use to determine how the District ~~will~~shall endeavor to achieve optimal value, utility, and substantial fairness when selecting a particular Contractor to provide ~~Goods and Services~~Personal services or Work from those Contractors ~~Awarded~~awarded Contracts.

(3) Evaluation of Proposals.

(a) Evaluation. The District ~~must~~shall evaluate Proposals only in accordance with criteria set forth in the RFP and applicable law. The District ~~must~~shall evaluate Proposals to determine the Responsible Proposer or Proposers submitting the best Responsive ~~Proposal~~proposal or Proposals.

(A) Clarifications. In evaluating Proposals, the District may seek information from a Proposer to clarify the Proposer's ~~Proposal~~proposal. A Proposer ~~must submit Written and Signed~~shall submit written and signed clarifications and such clarifications ~~must~~shall become part of the Proposer's ~~Proposal~~proposal.

(B) Limited Negotiation. If the District did not permit negotiation in its Request for ~~Proposals~~proposal, the District may, nonetheless, negotiate with the ~~highest ranked~~highest ranked Proposer, but may then only negotiate the:

(i) Statement of ~~Work~~work; and

(ii) Contract Price as it is affected by negotiating the statement of ~~Work~~work.

The process for discussions or negotiations that is outlined and explained in Sections (5)(b) and (6) of this ~~Rule~~rule does not apply to this limited negotiation.

(b) Discussions; Negotiations. If the District permitted discussions or negotiations in the Request for ~~Proposals~~proposal, the District ~~must~~shall evaluate Proposals and establish the ~~Competitive~~competitive Range, and may then conduct discussions and negotiations in accordance with this ~~Rule~~rule.

(A) If the Solicitation Document provided that discussions or negotiations may occur at the District's discretion, the District may forego discussions and negotiations and evaluate all Proposals in accordance with this ~~Rule~~rule.

(B) If the District proceeds with discussions or negotiations, the District ~~must~~shall establish a negotiation team tailored for the acquisition. The District's team may include legal, technical, auditing, and negotiating personnel.

(c) Cancellation. Nothing in this ~~Rule must~~rule shall restrict or prohibit the District from canceling the ~~solicitation~~Solicitation at any time.

(4) Competitive Range; Protest; Award.

(a) Determining Competitive Range.

(A) If the District does not cancel the ~~solicitation~~Solicitation, after the Opening the District ~~will~~shall evaluate all Proposals in accordance with the evaluation criteria set forth in the RFP. After evaluation of all Proposals in accordance with the criteria set forth in the RFP, the District ~~will~~shall rank the Proposers based on the District's scoring and determine the ~~Competitive~~competitive Range.

(B) The District may increase the number of Proposers in the ~~Competitive~~competitive Range if the District's evaluation of Proposals establishes a natural break in the scores of Proposers indicating a number of Proposers greater than the initial ~~Competitive~~competitive Range are closely competitive or have a reasonable chance of being determined the best Proposer after the District's evaluation of revised Proposals submitted in accordance with the process described in this ~~Rule~~rule.

(b) Protesting Competitive Range. The District ~~must~~shall provide ~~Written Notice~~written notice to all Proposers identifying Proposers in the ~~Competitive~~competitive Range. A Proposer that is not within the ~~Competitive~~competitive Range may protest the District's evaluation and determination of the ~~Competitive~~competitive Range in accordance with PPS 49-0450.

(c) Intent to ~~Award~~award; Discuss or Negotiate. After the protest period provided in accordance with these ~~Rules~~rules expires, or after the District has provided a final response to any protest, whichever date is later, the District may either:

(A) Provide ~~Written Notice~~written notice to all Proposers in the ~~Competitive~~competitive Range of its ~~Intent~~intent to ~~Award~~award the Contract to the ~~highest-ranked~~highest ranked Proposer in the ~~Competitive~~competitive Range.

(i) An unsuccessful Proposer may protest the District's ~~Intent~~intent to ~~Award~~award in accordance with PPS 49-0450.

(ii) After the protest period provided in accordance with PPS 49-0450 expires, or after the District has provided a final response to any protest, whichever date is later, the District ~~must~~shall commence final Contract negotiations with the ~~highest-ranked~~highest ranked Proposer in the ~~Competitive~~competitive Range; or

(B) Engage in discussions with Proposers in the ~~Competitive~~competitive Range and accept revised Proposals from them, and, following such discussions and receipt and evaluation of revised Proposals, conduct negotiations with the Proposers in the ~~Competitive~~competitive Range.

(5) Discussions; Revised Proposals. If the District chooses to enter into discussions with and receive revised Proposals from the Proposers in the ~~Competitive~~competitive Range, the District ~~must~~shall proceed as follows:

(a) Initiating Discussions. The District ~~must~~shall initiate oral or ~~Written~~written discussions with all of the Proposers in the ~~Competitive~~competitive Range regarding their Proposals with respect to the provisions of the RFP that the District identified in the RFP as the subject of discussions. The District may conduct discussions for the following purposes:

(A) Informing Proposers of deficiencies in their initial Proposals;

(B) Notifying Proposers of parts of their Proposals for which the District would like additional information; and

(C) Otherwise allowing Proposers to develop revised Proposals that will allow the District to obtain the best ~~Proposal~~proposal based on the requirements and evaluation criteria set forth in the RFP.

(b) Conducting Discussions. The District may conduct discussions with each Proposer in the ~~Competitive~~competitive Range necessary to fulfill the purposes of this section, but need not conduct the same amount of discussions with each Proposer. The District may terminate discussions with any Proposer in the ~~Competitive~~competitive Range at any time. The District ~~must~~shall, however, offer all Proposers in the ~~Competitive~~competitive Range the opportunity to discuss their Proposals with the District before the District notifies Proposers of the date and time pursuant to this section that revised Proposals will be due.

(A) In conducting discussions, the District:

(i) ~~Must~~Shall treat all Proposers fairly and ~~must~~shall not favor any Proposer over another;

(ii) ~~Must~~Shall not discuss other Proposers' Proposals;

(iii) ~~Must~~Shall not suggest specific revisions that a Proposer should make to its ~~Proposal~~proposal, and ~~must~~shall not otherwise direct the Proposer to make any specific revisions to its ~~Proposal~~proposal.

(B) At any time during the time allowed for discussions, the District may:

(i) Continue discussions with a particular Proposer;

(ii) Terminate discussions with a particular Proposer and continue discussions with other Proposers in the ~~Competitive~~competitive Range; or

(iii) Conclude discussions with all remaining Proposers in the ~~Competitive~~competitive Range and provide ~~Notice~~notice to the Proposers in the ~~Competitive~~competitive Range to submit revised Proposals.

(c) Revised Proposals. If the District does not cancel the ~~solicitation~~Solicitation at the conclusion of the District's discussions with all remaining Proposers in the ~~Competitive~~competitive Range, the District ~~must~~shall give all remaining Proposers in the ~~Competitive~~competitive Range ~~Notice~~notice of the date and time by which they ~~must~~shall submit revised Proposals. This

~~Notice~~notice constitutes the District's termination of discussions, and Proposers ~~must~~shall submit revised Proposals by the date and time set forth in the District's ~~Notice~~notice.

(A) Upon receipt of the revised Proposals, the District shall evaluate the revised Proposals based on the evaluation criteria set forth in the RFP and rank the revised Proposals based on the District's scoring.

(B) The District may conduct discussions with and accept only one revised ~~Proposal~~proposal from each Proposer in the ~~Competitive~~competitive Range unless otherwise set forth in the RFP.

(d) Intent to ~~Award~~award; Protest. The District ~~must~~shall provide ~~Written Notice~~written notice to all Proposers in the ~~Competitive~~competitive Range of the District's ~~Intent~~intent to ~~Award~~award the Contract. An unsuccessful Proposer may protest the District's ~~Intent~~intent to ~~Award~~award in accordance with PPS 49-0450. After the protest period provided in accordance with that ~~Rule~~rule expires, or after the District has provided a final response to any protest, whichever date is later, the District ~~must~~shall commence final Contract negotiations.

(6) Negotiation.

(a) Initiating Negotiations. The District may determine to commence negotiations with the ~~highest-ranked~~highest ranked Proposer in the ~~Competitive~~competitive Range following the:

(A) Initial determination of the ~~Competitive~~competitive Range; or

(B) Conclusion of discussions with all Proposers in the ~~Competitive~~competitive Range and evaluation of revised Proposals.

(b) Conducting Negotiations

(A) Scope: The District may negotiate:

(i) The statement of ~~Work~~work;

(ii) The Contract Price as it is affected by negotiating the statement of ~~Work~~work; and

(iii) Any other terms and conditions reasonably related to those expressly authorized for negotiation in the RFP. Accordingly, Proposers ~~must~~shall not submit, and the District ~~must~~shall not accept, for negotiation any alternative terms and conditions that are not reasonably related to those expressly authorized for negotiation in the RFP.

(c) Continuing Negotiations. If the District terminates negotiations with a Proposer, the District may then commence negotiations with the next highest-scoring Proposer in the ~~Competitive~~competitive Range, and continue the process described in this ~~Rule~~rule until the District has:

(A) Determined to ~~Award~~award the Contract to the Proposer with whom it is currently negotiating; or

(B) Completed one round of negotiations with all Proposers in the ~~Competitive~~competitive Range, unless the District provided for more than one round of discussions or negotiations in the Request for ~~Proposals~~proposal, in which case the District may proceed with any authorized further rounds of negotiations.

(7) Terminating Discussions or Negotiations. At any time during discussions or negotiations conducted in accordance with this ~~Rule~~rule, the District may terminate discussions or negotiations with the Proposer with whom it is currently conducting discussions or negotiations if the District reasonably believes that:

(a) The Proposer is not discussing or negotiating in good faith; or

(b) Further discussions or negotiations with the Proposer will not result in the parties agreeing to the terms and conditions of a final Contract in a timely manner.

PPS 49-0660 RFP Pricing Mechanisms

(1) An RFP may result in a Contract with a lump-sum Contract Price or a fixed Contract Price, as in the case of ~~Competitive~~competitive Bidding. Alternatively, a Request for ~~Proposals~~proposal may result in a cost reimbursement Contract with a GMP or some other maximum price specified in the Contract.

(2) Economic incentives or disincentives may be included to reflect stated District purposes related to time of completion, safety, or other Public Contracting objectives, including but not limited to total least-cost mechanisms such as ~~Life-Cycle~~life cycle Costing.

(3) A Guaranteed Maximum Price may be used as the pricing mechanism for CM/GC ~~Services~~services Contracts where a total Contract Price is provided in the design phase in order to assist the District in determining whether the ~~Project~~project scope is within the District's budget and allowing for design changes during preliminary design rather than after final design services have been completed.

(a) If the collaborative process described above in this ~~Section~~section (3) is successful, the Contractor shall propose a final GMP, which may be accepted by the District and included within the Contract.

(b) If the collaborative process described above in this ~~Section~~section (3) is not successful and no mutually agreeable resolution on the GMP for the project construction Work can be achieved with the Contractor, then the District ~~must~~shall terminate the Contract. The District may then proceed to negotiate a new Contract (and GMP) with the Proposer that was next-ranked in the original selection process, or employ other means for continuing the ~~Project~~project under ORS 279C.

(4) When Cost Reimbursement Contracts are utilized, regardless of whether a GMP is included, the District ~~must~~shall provide for audit controls that will effectively verify rates and ensure that costs are reasonable, allowable, and properly allocated.

PPS 49-0670 Design-Build Contracts

(1) **General**. The Design-Build form of contracting, as defined at PPS 49-0610(3), has technical complexities that are not readily apparent. The District ~~must~~shall use this contracting method only with the assistance of knowledgeable staff or Consultants who are experienced in its use. In order to use the Design-Build process, the District ~~must~~shall be able to reasonably anticipate the following types of benefits:

(a) Obtaining, through a Design-Build team, engineering design, plan preparation, value engineering, construction engineering, construction, quality control, and required documentation as a fully integrated function with a single point of responsibility;

(b) Integrating value engineering suggestions into the design phase, as the construction Contractor joins the ~~Project~~project team early with design responsibilities under a team approach, with the potential of reducing Contract changes;

(c) Reducing the risk of design flaws, misunderstandings, and conflicts inherent in construction Contractors building from designs in which they have had no opportunity for input, with the potential of reducing Contract claims;

(d) Shortening ~~Project~~project time as construction activity (early submittals, mobilization, subcontracting, and advance Work) commences prior to completion of a "Biddable" design, or where a design solution is still required (as in complex or phased ~~Projects~~projects); or

(e) Obtaining innovative design solutions through the collaboration of the Contractor and design team, which would not otherwise be possible if the Contractor had not yet been selected.

(2) Authority. The District ~~must~~shall utilize the Design-Build form of contracting only in accordance with the requirements of these PPS 49-0600 through 49-0690 ~~Rules~~rules. See particularly PPS 49-0620 pertaining to Alternative Contracting Methods and PPS 49-0680 pertaining to ESPCs.

(3) Selection. Design-Build selection criteria may include those factors set forth above in PPS 49-0640(2)(a), (b), and (c).

(4) QBS Inapplicable. Because the value of construction services predominates the Design-Build form of Contracting, the qualifications-based selection ("QBS") process mandated by ORS 279C.110 for the District in certain circumstances in obtaining certain Consultant services is not applicable.

(5) Licensing. If a Design-Build Contractor is not an Oregon-licensed design professional, the District ~~must~~shall require that the Design-Build Contractor disclose in its ~~Written~~written Offer that it is not an Oregon-licensed design professional, and identify the Oregon-licensed design professional(s) who will provide design ~~Services~~services. See ORS 671.030(5) regarding the offer of Architectural ~~Services~~services, and ORS 672.060(11) regarding the offer of Engineering ~~Services~~services that are appurtenant to construction services.

(6) Performance Security. ORS 279C.380(1)(a) provides that for Design-Build Contracts, the surety's obligation on performance bonds, or the ~~Bidder's~~bidder's obligation on cashier's or certified checks accepted in lieu thereof, includes the preparation and completion of design and related professional ~~Services~~services specified in the Contract. This additional obligation, beyond performance of construction services, extends only to the provision of professional ~~Services~~services and related design revisions, corrective Work, and associated costs prior to final completion of the Contract (or for such longer time as may be defined in the Contract). The obligation is not intended to be a substitute for professional liability insurance, and does not include errors and omissions or latent defects coverage.

(7) Contract Requirements. The District ~~must~~shall conform their Design-Build contracting practices to the following requirements:

(a) Design Services. The level or type of design ~~Services~~services required ~~must~~shall be clearly defined within the ~~Procurement~~procurement documents and Contract, along with a description of the level or type of design ~~Services~~services previously performed for the ~~Project~~project. The ~~Services~~services to be performed ~~must~~shall be clearly delineated as either design ~~Specifications~~specifications or performance standards, and performance measurements ~~must~~shall be identified.

(b) Professional Liability. The Contract ~~must~~shall clearly identify the liability of design professionals with respect to the Design-Build Contractor and the District, as well as requirements for professional liability insurance.

(c) Risk Allocation. The Contract ~~must~~shall clearly identify the extent to which the District requires an express indemnification from the Design-Build Contractor for any failure to perform, including professional errors and omissions, design warranties, construction operations, and faulty Work claims.

(d) Warranties. The Contract ~~must~~shall clearly identify any express warranties made to the District regarding characteristics or capabilities of the completed ~~Project~~project (regardless of whether errors occur as the result of improper design, construction, or both), including any warranty that a design will be produced that meets the stated ~~Project~~project performance and budget guidelines.

(e) Incentives. The Contract ~~must~~shall clearly identify any economic incentives and disincentives, the specific criteria that apply, and their relationship to other financial elements of the Contract.

(f) Honoraria. If allowed by the RFP, honoraria or stipends may be provided for early design submittals from qualified finalists during the ~~solicitation~~Solicitation process on the basis that the District is benefited from such deliverables.

PPS 49-0680 Energy Savings Performance Contracts

(1) Generally. These PPS 49-0600 through PPS 49-0690 ~~Rules~~rules include a limited, efficient method for the District to enter into ESPCs outside the ~~Competitive~~competitive Bidding requirements of ORS 279C.335 for existing buildings or structures, but not for new construction. If the District chooses not to utilize the ESPC ~~Procurement~~procurement method provided for by these PPS 49-0600 through 49-0690 ~~Rules~~rules, the District may still enter into an ESPC by complying with the ~~Competitive~~competitive Bidding exemption process set forth in ORS 279C.335, or by otherwise complying with the ~~Procurement~~procurement requirements applicable to any district not subject to all the requirements of ORS 279C.335.

(2) ESPC Contracting Method. The ESPC form of contracting, as defined at PPS 49-0610(6), has unique technical complexities associated with the determination of what ECMs are feasible for the District, as well as the additional technical complexities associated with a Design-Build Contract. The District ~~must~~shall only utilize the ESPC contracting method with the assistance of knowledgeable staff or Consultants who are experienced in its use. In order to utilize the ESPC contracting process, the District ~~must~~shall be able to reasonably anticipate one or more of the following types of benefits:

(a) Obtaining, through an ESCO, the following types of integrated ~~Services~~Personal services and Work: facility profiling, energy baseline studies, ECMs, Technical Energy Audits, project development planning, engineering design, plan preparation, cost estimating, ~~Life-Cycle~~life cycle Costing, construction administration, project management, construction, quality control, operations and maintenance staff training, commissioning ~~Services~~services, M & V ~~Services~~services, and required documentation as a fully integrated function with a single point of responsibility;

(b) Obtaining, through an ESCO, an Energy Savings Guarantee;

(c) Integrating the Technical Energy Audit phase and the ~~Project~~project Development Plan phase into the design and construction phase of ~~Work~~work on the ~~Project~~project;

(d) Reducing the risk of design flaws, misunderstandings, and conflicts inherent in the construction process, through the integration of ESPC ~~Services~~Personal services and Work;

(e) Obtaining innovative design solutions through the collaboration of the members of the ~~ESCO-integrated~~ESCO integrated ESPC ~~Services~~ team;

(f) Integrating cost-effective ECMs into an existing building or structure so that the ECMs pay for themselves through savings realized over the useful life of the ECMs;

(g) Preliminary design, development, implementation, and an Energy Savings Guarantee of ECMs into an existing building or structure through an ESPC as a distinct part of a major remodel of that building or structure that is being performed under a separate remodeling Contract; and

(h) Satisfying local energy efficiency design criteria or requirements.

(3) Authority. The District desiring to pursue an exemption from the ~~Competitive~~competitive Bidding requirements of ORS 279C.335 (and, if applicable, ORS 351.086) ~~must~~shall utilize the ESPC form of contracting only in accordance with the requirements of these PPS 49-0600 to 49-0690 ~~Rules~~rules.

(4) No Findings Required. The District is only required to comply with the ESPC contracting procedures set forth in PPS 49-0600 through 49-0690 of these ~~Rules~~rules in order for the ESPC to be exempt from the ~~Competitive~~competitive Bidding processes of ORS 279C.335. No ~~Findings~~findings are required for an ESPC to be exempt from the ~~Competitive~~competitive Bidding process for Public Improvement Contracts

pursuant to ORS 279C.335, unless the District is subject to the requirements of ORS 279C.335 and chooses not to comply with the ESPC contracting procedures set forth in these PPS 49-0600 through 49-0690 ~~Rules~~rules.

(5) Selection. ESPC selection criteria may include those factors set forth above in PPS 49-0640(2)(a), (b), (c), and (d). Since the Energy Savings Guarantee is such a fundamental component in the ESPC contracting process, Proposers ~~must~~shall disclose in their Proposals the identity of any Person providing (directly or indirectly) any Energy Savings Guarantee that may be offered by the successful ESCO during the course of the performance of the ESPC, along with any financial statements and related information pertaining to any such Person.

(6) Qualifications Based Selection (QBS). Because the value of construction services predominates in the ESPC method of contracting, the QBS process mandated by ORS 279C.110 for the ~~District~~State Contracting Agencies in obtaining certain Consultant ~~Services~~services is not applicable.

(7) Licensing. If the ESCO is not an Oregon-licensed design professional, the District ~~must~~shall require that the ESCO disclose in the ESPC that it is not an Oregon-licensed design professional, and identify the Oregon-licensed design professional(s) who will provide design ~~Services~~services. See ORS 671.030(5) regarding the offer of ~~Architectural Services~~architectural services, and ORS 672.060(11) regarding the offer of ~~Engineering Services~~engineering services that are appurtenant to construction ~~services~~Work.

(8) Performance Security. At the point in the ESPC when the parties enter into a binding Contract that constitutes a Design-Build Contract, the ESCO ~~must~~shall provide a performance bond and a payment bond, each for 100 percent of the full Contract Price, including the construction and design and related professional ~~Services~~services specified in the ESPC Design-Build Contract, pursuant to ORS 279C.380(1)(a). For ESPC Design-Build Contracts, these "design and related professional ~~Services~~services" include conventional design ~~Services~~services, commissioning ~~Services~~services, training ~~Services~~services for the District's operations and maintenance staff, and any similar professional ~~Services~~services provided by the ESCO under the ESPC Design-Build Contract prior to final completion of construction. M & V ~~Services~~services, and any ~~Services~~Personal services and Work associated with the ESCO's Energy Savings Guarantee, are not included in these ORS 279C.380(1)(a) "design and related professional ~~Services~~services." Nevertheless, the District may require that the ESCO provide performance security for M & V ~~Services~~services and any ~~Services~~services associated with the ESCO's Energy Savings Guarantee, if the District so provides in the RFP.

(9) Contracting Requirements. The District ~~must~~shall conform their ESPC contracting practices to the following requirements:

(a) General ESPC Contracting Practices. An ESPC involves a multi-phase ~~Project~~project, which includes the following contractual elements:

(A) A contractual structure which includes general Contract terms describing the relationship of the parties, the various phases of the ~~Work~~work, the contractual terms governing the Technical Energy Audit for the ~~Project~~project, the contractual terms governing the ~~Project~~project Development Plan for the ~~Project~~project, the contractual terms governing the final design and construction of the ~~Project~~project, the contractual terms governing the performance of the M & V ~~Services~~services for the ~~Project~~project, and the detailed provisions of the ESCO's Energy Savings Guarantee for the ~~Project~~project.

(B) The various phases of the ESCO's Work will include the following:

(i) The Technical Energy Audit phase of the ~~Work~~work;

(ii) The ~~Project~~project Development Plan phase of the ~~Work~~work;

(iii) A third phase of the ~~Work~~work that constitutes a Design-Build Contract, during which the ESCO completes any plans and ~~Specifications~~specifications required to implement the ECMs that have been agreed to by the parties to the ESPC, and the ESCO performs all construction, commissioning, construction administration, and related ~~Services~~Personal services and Work to actually construct the ~~Project~~project; and

(iv) A final phase of the ~~Work~~work whereby the ESCO, independently or in cooperation with an independent Consultant hired by the District, performs M & V ~~Services~~services to ensure that the Energy Savings Guarantee identified by the ESCO in the earlier phases of the ~~Work~~work and agreed to by the parties has actually been achieved.

(b) Design-Build Contracting Requirements in ESPCs. At the point in the ESPC when the parties enter into a binding Contract that constitutes a Design-Build Contract, the District ~~must~~shall conform its Design-Build contracting practices to the Design-Build contracting requirements set forth in PPS 49-0670(7).

(c) Pricing Alternatives. The District may utilize one of the following pricing alternatives in an ESPC:

(A) A fixed price for each phase of the ~~Services~~Personal services and Work to be provided by the ESCO;

(B) A ~~cost-reimbursement~~cost reimbursement pricing mechanism, with a maximum not-to-exceed price or a GMP; or

(C) A combination of a fixed fee for certain components of the ~~Services~~Personal services to be performed, a ~~cost-reimbursement~~cost reimbursement pricing mechanism for the construction ~~services~~Work to be performed with a GMP, a single or annual fixed fee for M & V ~~Services~~services to be performed for an identified time period after final completion of the construction Work, and a single or annual Energy Savings Guarantee fixed fee payable for an identified time period after final completion of the construction Work that is conditioned on certain energy savings being achieved at the facility by the ECMs that have been implemented by the ESCO during the ~~Project~~project (in the event an annual M & V ~~Services~~services fee and annual Energy Savings Guarantee fee is utilized by the parties, the parties may provide in the Design-Build Contract that, at the sole option of the District, the ESCO's M & V ~~Services~~services may be terminated prior to the completion of the M & V/Energy Savings Guarantee period and the District's future obligation to pay the M & V ~~Services~~ services fee and Energy Savings Guarantee fee will likewise be terminated, under terms agreed to by the parties).

(d) Permitted ESPC Scope of ~~Work~~work. The scope of ~~Work~~work under the ESPC is restricted to implementation and installation of ECMs, as well as other Work on building systems or building components that are directly related to the ECMs, and that, as an integrated unit, will completely pay for themselves or substantially pay for themselves over the useful life of the ECMs installed. The permitted scope of ~~Work~~work for ESPCs resulting from a solicitation under these PPS 49-0600 through PPS 49-0690 ~~Rules~~rules does not include maintenance services for the ~~Project~~project facility.

PPS 49-0690 Construction Manager/General Contractor Services ("CM/GC Services")

(1) General. The CM/GC Method is a technically complex project delivery system. The District ~~must~~shall use this contracting method only with the assistance of legal counsel with substantial experience and necessary expertise in using the CM/GC Method, as well as knowledgeable staff, consultants, or both staff and consultants who have a demonstrated capability of managing the CM/GC process in the necessary

disciplines of engineering, construction scheduling and cost control, accounting, legal, public contracting, and project management. Unlike the Design-Build form of contracting, the CM/GC Method does not contemplate a "single point of responsibility" under which the CM/GC is responsible for successful completion of all Work related to a performance ~~Specification~~specification. The CM/GC has defined Contract obligations, including responsibilities as part of the ~~Project~~project team along with the District and design professional, although with the CM/GC Method there is a separate contract between the District and design professional. In order to utilize the CM/GC Method, the District ~~must~~shall be able to reasonably anticipate the following types of benefits:

(a) Time Savings. With the CM/GC Method, the Public Improvement has significant schedule ramifications, such that concurrent design and construction are necessary in order to meet critical deadlines and shorten the overall duration of construction. The District may consider operational and financial data that show significant savings or increased opportunities for generating revenue as a result of early completion, as well as less disruption to public facilities as a result of shortened construction periods;

(b) Cost Savings. With the CM/GC Method, early CM/GC input during the design process is expected to contribute to significant cost savings. The District may consider value engineering, building systems analysis, ~~Life Cycle~~life cycle Costing analysis, and construction planning that lead to cost savings. The District ~~must~~shall specify any special factors influencing this analysis, including high rates of inflation, market uncertainty due to material and labor fluctuations or scarcities, and the need for specialized construction expertise due to technical challenges; or

(c) Technical Complexity. With the CM/GC Method, the Public Improvement presents significant technical complexities that are best addressed by a collaborative or team effort between the District, design professionals, any District project management or technical consultants and the CM/GC, in which the CM/GC will assist in addressing specific ~~Project~~project challenges through preconstruction services. The District may consider the need for CM/GC input on issues such as operation of the facility during construction, tenant occupancy, public safety, delivery of an early budget or GMP, financing, historic preservation, difficult remodeling ~~Projects~~projects, and ~~Projects~~projects requiring complex phasing or highly coordinated scheduling.

(2) Authority. The District ~~must~~shall use the CM/GC form of contracting only in accordance with the requirements of these ~~Division~~division 49 ~~Rules~~rules and ORS 279C.337, when a competitive bidding exemption is approved. See particularly PPS 49-0600 on "Purpose" and PPS 49-0620 on "Use of Alternative Contracting Methods."

(3) Selection. CM/GC selection criteria may include those factors set forth in PPS 49-0640(2)(b).

(4) Basis for Payment. The CM/GC process adds specified construction manager Personal ~~Services~~services to traditional design-bid-build general contractor Work, requiring full Contract performance within a negotiated GMP, fixed Contract Price or other maximum Contract Price. For a GMP pricing method, the basis for payment is reimbursable direct costs as defined under the Contract, plus a fee constituting full payment for construction Work and Personal ~~Services~~services rendered, which together ~~must~~shall not exceed the GMP. See GMP definition at PPS 49-0610(7) and pricing mechanisms at PPS 49-0660.

(5) Contract Requirements. The District shall conform their CM/GC contracting practices to the following requirements:

(a) Nature of the Initial CM/GC Services Contract Document. A solicitation for CM/GC ~~Services~~services is a ~~Procurement~~procurement for a Public Improvement, since the scope of the ~~Procurement~~procurement includes not only pre-construction Personal ~~Services~~services to be performed by the CM/GC, but also construction Work that is expected to result in a completed Public Improvement. In the traditional CM/GC ~~Services~~services contracting approach, the text of

the resulting CM/GC ~~Services~~services Contract will include comprehensive contract provisions that will not only fully govern the relationship between the District and the CM/GC for the pre-construction Personal ~~Services,~~services, but will also include the general contract provisions that will control the CM/GC's providing of the construction Work necessary to complete the project (with any remaining necessary construction-related contract provisions being added through Early Work amendments to the Contract, the GMP amendment to the Contract or, if necessary, a conventional amendment to the Contract). The traditional CM/GC ~~Services~~services contracting approach, however, also contemplates that the District ~~will~~shall only authorize the CM/GC to perform the preconstruction Personal ~~Services~~services when the Contract is first executed unless construction Work is specifically included in the initial CM/GC Contract. Under this approach, the construction phase or phases of the CM/GC ~~Services~~services project are not yet authorized and the Contract only becomes a Public Improvement Contract once the parties amend the Contract, through an Early Work or a GMP amendment, to authorize the construction of a portion of the project or the entire project. See also OAR 839-025-0020, regarding the Bureau of Labor and Industries' determination of when a Contract for CM/GC ~~Services~~services becomes a "public works" Contract for purposes of paying prevailing wage rates for construction Work under the CM/GC Contract.

(b) Setting the GMP, Fixed Contract Price or Other Maximum Contract Price. The GMP fixed Contract price or other maximum Contract Price shall be set at an identified time consistent with industry practice and project conditions and after supporting information reasonably considered necessary to its use has been developed, which will normally take place at the end of the design development phase of the project. The supporting information for the GMP ~~must~~shall define both what Personal ~~Services~~services and construction Work are included and excluded from the GMP, fixed Contract price or other maximum Contract Price. A set of project drawings and ~~Specifications must~~specifications shall be produced establishing the scope of construction Work contemplated by the GMP fixed Contract price or other maximum Contract Price.

(c) Adjustments to the GMP Fixed Contract Price or Other Maximum Contract Price. The Contract ~~must~~shall clearly identify the standards or factors under which changes or additional construction Work will be considered outside of the Work scope ~~of Work that~~other warrants an increase in the GMP, fixed Contract ~~price~~Price or other maximum Contract Price, as well as criteria for decreasing the GMP, fixed Contract ~~price~~Price or other maximum Contract Price. The GMP, fixed Contract Price or other maximum Contract Price shall not be increased without a concomitant increase to the scope of the ~~Work~~work defined at the establishment of the GMP, fixed Contract ~~price~~Price or other maximum Contract ~~price~~Price or most recent ~~Amendment~~amendment to the GMP, fixed Contract ~~price~~Price or other maximum Contract Price. An increase to the scope of the ~~Work~~work may take the form of conventional additions to the project scope, as well as corrections to the Contract terms and conditions, additions to insurance coverage required by the District and other changes to the ~~Work~~work.

(d) Cost Savings. The Contract ~~must~~shall clearly identify the disposition of any Cost Savings resulting from completion of the ~~Work~~work below the GMP; fixed Contract price or other maximum Contract price, that is, under what circumstances, if any, the CM/GC might share in those Cost Savings, or whether the Cost Savings accrue only to the District's benefit. Unless there is a clearly articulated reason for sharing the Cost Savings set forth in the Contract, the Cost Savings ~~must~~shall accrue to the District.

(e) Cost Reimbursement. The Contract ~~must~~shall clearly identify what items or categories of items are eligible for cost reimbursement within the GMP or other maximum Contract Price, including any category of GC Work ~~costs (a general grouping of direct costs that are not separately invoiced, subcontracted, or included within either overhead or fee)~~, and may also incorporate a mutually agreeable cost-reimbursement standard.

(f) Audit. Cost reimbursements ~~must~~shall be made subject to final audit adjustment, and the Contract ~~must~~shall establish an audit process to ensure that Contract costs are allowable, properly allocated, and reasonable.

(g) Fee. Compensation for the CM/GC's Personal ~~Services~~services and construction Work, where the Contract uses a GMP, shall include a fee that is inclusive of profit, overhead, and all other indirect or non-reimbursable costs. Costs determined to be included within the fee shall be expressly defined in the Contract terms and conditions at the time the District selects the GM/GC. The fee, which may be expressed as either a fixed dollar amount or as a proposed percentage of all reimbursable costs, ~~must~~shall be identified during and become an element of the selection process. It ~~must~~shall subsequently be expressed as a fixed amount for particular construction Work authorized to be performed, when Early Work is added to the Contract through an amendment and when the GMP is established. The CM/GC fee does not include any fee paid to the CM/GC for performing ~~preconstruction~~pre-construction services during a separate ~~preconstruction~~pre-construction phase.

(h) Incentives. The Contract ~~must~~shall clearly identify any economic incentives, the specific criteria that apply, and their relationship to other financial elements of the Contract (including the GMP, fixed Contract ~~price~~Price or other maximum Contract ~~price~~Price).

(i) Controlled Insurance Programs. For ~~Projects~~projects where an owner-controlled or contractor-controlled insurance program is permitted under ORS 737.602, the Contract ~~must~~shall clearly identify whether an owner-controlled or contractor-controlled insurance program is anticipated or allowable. If so, the Contract ~~must~~shall clearly identify (1) anticipated cost savings from reduced premiums, claims reductions, and other factors, (2) the allocation of cost savings, and (3) safety responsibilities, incentives or both safety responsibilities and incentives.

(j) Early Work. The RFP ~~must~~shall clearly identify, whenever feasible, the circumstances under which any Early Work may be authorized and undertaken for compensation prior to establishing the GMP, fixed Contract price, or other maximum Contract Price.

(k) Subcontractor Selection. Subcontracts under the Contract are not Public Contracts within the meaning of the Code. However, the Contract ~~must~~shall include provisions that clearly meet the requirements of ORS 279C.337(3) and other District requirements. Within the scope of ORS 279C.337(3), the CM/GC's subcontractor selection process ~~must~~shall meet the following parameters:

(A) Absent a written justification prepared by the CM/GC and approved by the District as more particularly provided for in this section, the CM/GC's Subcontractor selection process ~~must~~shall be "competitive," meaning that the process should include publicly-advertised subcontractor solicitations and be based on a low-bid competitive method, a low-quote competitive method for contracts in a specified dollar range agreeable to the District, or a method whereby both price and qualifications of the subcontractors are evaluated in a competitive environment, consistent with the RFP and Contract requirements;

(B) When the Subcontractor selection process for a particular Work package will not be "competitive" as provided for in this section, the process ~~must~~shall meet the following requirements:

(i) The CM/GC ~~must~~shall prepare and submit a written justification to the District, explaining the project circumstances that support a non-competitive Subcontractor selection process for a particular Work package, including, but not limited to, Emergency circumstances, the CM/GC's need to utilize a key Subcontractor member of the CM/GC's project team consistent with the CM/GC's project proposal, the need to meet other specified Contract requirements, the continuation or expansion of an

existing Subcontractor agreement that was awarded through a "competitive process" along with facts supporting the continuation or expansion of the Subcontractor agreement, or a "sole source" justification;

(ii) For a "sole source" selection of a subcontractor to proceed, the District ~~must~~shall evaluate the written justification provided by the CM/GC and ~~must~~shall find that critical project efficiencies require utilization of labor, services or materials from one subcontractor; that technical compatibility issues on the project require labor, services or materials from one subcontractor; that particular labor, services or materials are needed as part of an experimental or pilot project or as part of an experimental or pilot aspect of the project; or that other project circumstances exist to support the conclusion that the labor, services or materials are available from only one subcontractor;

(iii) The CM/GC ~~must~~shall provide an independent cost estimate for the ~~Work~~work package that will be subject to the non-competitive process, if required by the District;

(iv) The CM/GC ~~must~~shall fully respond to any questions or comments submitted to the CM/GC by the District; and

(v) The District ~~must~~shall approve the CM/GC's use of the non-competitive Subcontractor selection process prior to the CM/GC's pursuit of the non-competitive process.

(C) A competitive selection process may be preceded by a publicly advertised sub-contractor pre-qualification process, with only those subcontractors meeting the pre-qualification requirements being invited to participate in the later competitive process through which the CM/GC will select the subcontractor to perform the construction Work described in the selection process;

(D) If the CM/GC or an Affiliate or subsidiary of the CM/GC will be included in the subcontractor selection process to perform particular construction Work on the project, the CM/GC ~~must~~shall disclose that fact in the selection process documents and announcements. The Contract ~~must~~shall also identify the conditions, processes and procedures the CM/GC will utilize in that competitive process in order to make the process impartial, competitive and fair, including but not limited to objective, independent review and opening of bids or proposals for the elements of ~~Work~~work involved, by a representative of the District or another independent third party.

(l) Subcontractor Approvals and Protests. The Contract ~~must~~shall clearly establish whether the District ~~must~~shall approve subcontract ~~Awards~~awards, and to what extent, if any, the District ~~will~~shall resolve or be involved in the resolution of protests of the CM/GC's selection of subcontractors and suppliers. The procedures and reporting mechanisms related to the resolution of subcontractor and suppler protests shall be established in the Contract with certainty, including the CM/GC's roles and responsibilities in this process and whether the CM/GC's subcontracting records are considered to be public records. In any event, the District ~~must~~shall retain the right to monitor the subcontracting process in order to protect the District's interests and to confirm the CM/GC's compliance with the Contract and with applicable statutes, administrative rules and other legal requirements.

(m) CM/GC Self-Performance or Performance by CM/GC Affiliates or Subsidiaries Without Competition. Consistent with the requirements of ORS 279C.337(3)(c), the Contract ~~must~~shall establish the conditions under which the CM/GC or an Affiliate or subsidiary of the CM/GC may perform elements of the construction Work without competition from subcontractors, including, for example, job-site GC Work. Other than for GC Work, in order for the CM/GC or an Affiliate or subsidiary of the CM/GC to perform elements of the construction Work without competition

from subcontractors, the CM/GC ~~must~~shall provide, or ~~must~~shall have included in the CM/GC's RFP proposal to perform CM/GC ~~Services~~services for the project, a detailed proposal for performance of the ~~Work~~work by the CM/GC or an Affiliate or subsidiary of the CM/GC. If required by the District, the CM/GC's proposal to perform the construction Work ~~must~~shall be supported by at least one independent cost estimate prior to the ~~Work~~work being included in the Contract.

(n) Unsuccessful Subcontractor Briefing. ORS 279C.337(3)(e) is designed to allow a subcontractor who was not selected by the CM/GC to perform a particular element of the construction Work to obtain specific information from the CM/GC, and meet with the CM/GC to discuss the subcontractor qualification and selection process involved and the CM/GC's subcontractor selection decisions, in order to better understand why the subcontractor was not successful in being selected to perform the particular element of the ~~Work~~work and to improve the subcontractor's substantive qualifications or the subcontractor's methods in competing for elements of the ~~Work~~work for the particular project involved, or for future projects. The briefing meetings may be held with individual subcontractors or, if the subcontractors agree, in groups of subcontractors, with those groups established by bid package or other designation agreed to by the contracting agency and the CM/GC. Nevertheless, the CM/GC is not obligated to provide this briefing opportunity unless the CM/GC receives a written request from a subcontractor to discuss the subcontractor qualification and selection process involved. Unless the District and the CM/GC agree on a different schedule, the CM/GC Contract should include provisions:

(A) Allowing a subcontractor 60 days from the CM/GC's notice of award of a subcontract for a particular Work package to request, in writing, a post-selection meeting with the CM/GC under this section; and

(B) Requiring the CM/GC to set a meeting with the subcontractor under this section within 45 days of the subcontractor's written request.

(o) Performance and Payment Bonds. Provided no construction Work is included with the preconstruction services to be performed under the initial form of the CM/GC Contract, no performance bond or payment bond is required to be provided by the CM/GC at the time of Contract signing, consistent with ORS 279C.380. Once construction Work is included in the Contract and authorized by the District to be performed by the CM/GC, however, the CM/GC ~~must~~shall provide a performance bond and payment bond each in the full amount of any Early Work to be performed by the CM/GC, or the full amount of the GMP, fixed Contract price or other maximum ~~contract price~~Contract Price, as applicable. Furthermore, in the event additional Early Work is added to the CM/GC Contract after the initial Early Work or in the event an amendment to the CM/GC Contract is made so that the GMP, fixed price or other maximum contract price ~~must~~shall be increased, the performance bond and the payment bond ~~must~~shall each be increased in an amount equal to the additional Early Work or the increased GMP, fixed price or other maximum contract price.

(p) Independent Review of CM/GC Performance; Conflicts of Interest. If the District requires independent review, monitoring, inspection or other oversight of a CM/GC's performance of pre-construction Personal ~~Services~~services, construction Work or both pre-construction Personal ~~Services~~services and construction Work, the District ~~must~~shall obtain those independent review services from a Contractor independent of the CM/GC, the CM/GC's Affiliates and the CM/GC's Subcontractors, pursuant to the requirements of ORS 279C.307. However, ORS 279C.307 does not prohibit the following:

(A) The CM/GC's performance of both pre-construction Personal ~~Services~~services and construction Work that are included within the definition of CM/GC ~~Services~~services, consistent with ORS 279C.307(2); or

(B) The CM/GC's performance of internal quality control services, quality assurance services or other internal peer review of CM/GC work product that is intended to confirm the CM/GC's performance of the CM/GC Contract according to its terms.

(q) Socio-Economic Programs. The Contract ~~must~~shall clearly identify conditions relating to any required socio-economic programs (such as Affirmative Action or Prison Inmate Labor Programs), including the manner in which such programs affect the CM/GC's subcontracting requirements, the enforcement mechanisms available, and the respective responsibilities of the CM/GC and the District.

CONTRACT PROVISIONS

PPS 49-0800 Required Contract Clauses

Except as provided by PPS 49-0150 and 49-0160, the District ~~must~~shall include in all Solicitation Documents for Public Improvement Contracts all of the ORS 279C-required Contract clauses, as set forth in the checklist contained in PPS 49-0200(1)(c) regarding Solicitation Documents. The following series of ~~Rules~~rules provides further guidance regarding particular Public Contract provisions.

PPS 49-0810 Waiver of Delay Damages Against Public Policy

The District ~~must~~shall not place any provision in a Public Improvement Contract purporting to waive, release, or extinguish the rights of a Contractor to damages resulting from the District's unreasonable delay in performing the Contract. However, Contract provisions requiring ~~Notice~~notice of delay, providing for alternative dispute resolution such as arbitration (where allowable) or mediation, providing other procedures for settling ~~Contract~~contract disputes, or providing for reasonable liquidated damages are permissible.

PPS 49-0815 BOLI Public Works Bond

Pursuant to ORS 279C.830(2), the ~~Specifications~~specifications for every Public Works Contract shall contain a provision stating that the Contractor and every subcontractor ~~must~~shall have a Public Works bond filed with the Construction Contractors Board before starting Work on the ~~Project~~project, unless otherwise exempt. This bond is in addition to performance bond and payment bond requirements. See BOLI rule at OAR 839-025-0015.

PPS 49-0820 Retainage

(1) Withholding of Retainage. The District ~~will~~shall not retain an amount in excess of 5 percent of the Contract Price for Work completed. If the Contractor has performed at least 50 percent of the Contract Work and is progressing satisfactorily, upon the Contractor's submission of ~~Written~~written application containing the surety's ~~Written~~written approval, the District may, in its discretion, reduce or eliminate Retainage on any remaining progress payments. The District ~~must~~shall respond in ~~Writing~~writing to all such applications within a reasonable time. When the Contract Work is 97½ percent completed, the District may, at its discretion and without application by the Contractor, reduce the retained amount to 100 percent of the value of the remaining unperformed Contract Work. The District may at any time reinstate Retainage. Retainage ~~must~~shall be included in the final payment of the Contract Price.

(2) Form of Retainage. Unless the District finds in ~~Writing~~writing that accepting a bond or instrument described in ~~Section~~section (2)(a) or (2)(b) of this ~~Rule~~rule poses an extraordinary risk that is not typically associated with the bond or instrument, the District, in lieu of withholding moneys from payment, shall accept from a Contractor:

(a) Bonds, securities, or other instruments that are deposited and accepted as provided in ~~Section~~section (4)(a) of this ~~Rule~~rule; or

(b) A surety bond deposited as provided in ~~Section~~section (4)(b) of this ~~Rule~~rule.

(3) Deposit in Interest-Bearing Accounts. Upon request of the Contractor, the District ~~must~~shall deposit cash Retainage in an interest-bearing account in a bank, savings bank, trust company, or savings association, for the benefit of the District. Earnings on such account ~~must~~shall accrue to the Contractor. The District ~~must~~shall establish the account through the State Treasurer.

(4) Alternatives to Cash Retainage. In lieu of cash Retainage to be held by the District, the Contractor may substitute one of the following:

(a) Deposit of bonds, securities, or other instruments.

(A) The Contractor may deposit bonds, securities, or other instruments with the District or in any bank or trust company to be held for the benefit of the District. If the District accepts the deposit, the District ~~must~~shall reduce the cash Retainage by an amount equal to the value of the bonds and securities, and reimburse the excess to the Contractor.

(B) Bonds, securities, or other instruments deposited or acquired in lieu of cash Retainage ~~must~~shall be of a character approved by the District, including, but not limited to:

(i) Bills, certificates, notes, or bonds of the United States.

(ii) Other obligations of the United States or agencies of the United States.

(iii) Obligations of a corporation wholly owned by the federal government.

(iv) Indebtedness of the Federal National Mortgage Association.

(v) General obligation bonds of the State of Oregon or a political subdivision of the State of Oregon.

(vi) Irrevocable letters of credit issued by an insured institution, as defined in ORS 706.008.

(C) Upon the District's determination that all requirements for the protection of the District's interests have been fulfilled, it ~~must~~shall release to the Contractor all bonds and securities deposited in lieu of Retainage.

(b) Deposit of Surety Bond. The District, at its discretion, may allow the Contractor to deposit a surety bond in a form acceptable to the District in lieu of all or a portion of funds retained or to be retained. A Contractor depositing such a bond ~~must~~shall accept surety bonds from its subcontractors and suppliers in lieu of Retainage. In such cases, Retainage ~~must~~shall be reduced by an amount equal to the value of the bond, and the excess ~~must~~shall be reimbursed.

(5) Recovery of Costs. The District may recover from the Contractor all costs incurred in the proper handling of Retainage by reduction of the final payment.

(6) Additional Retainage When Certified Payroll Statements Not Filed. Pursuant to ORS 279C.845(7), if a Contractor is required to file certified payroll statements and fails to do so, the District shall retain 25 percent of any amount earned by the Contractor on a Public Works Contract until the Contractor has filed such statements with the District. The District shall pay the Contractor the amount retained under this provision within 14 ~~Days~~days after the Contractor files the certified statements, regardless of whether a subcontractor has filed such statements (but see ORS 279C.845(1) regarding the requirement for both Contractors and subcontractors to file certified statements with the District). See BOLI rule at OAR 839-025-0010.

PPS 49-0830 Contractor Progress Payments

(1) Request for Progress Payments. Each month the Contractor ~~must~~shall submit to the District their ~~Written~~written request for a progress payment based on an estimated percentage of Contract completion. At the District's discretion, this request may also include the value of material to be incorporated in the

completed Work, which has been delivered to the premises and appropriately stored. The sum of these estimates is referred to as the "value of completed Work." With these estimates as a base, the District ~~will~~shall make a progress payment to the Contractor, which ~~must~~shall be equal to:

(a) The value of completed Work;

(b) Less those amounts that have been previously paid;

(c) Less other amounts that may be deductible or owing and due to the District for any cause; and

(d) Less the appropriate amount of Retainage.

(2) Progress Payments Do Not Mean Acceptance of ~~Work~~work. Progress payments ~~must~~shall not be construed as an acceptance or approval of any part of the ~~Work~~work, and ~~must~~shall not relieve the Contractor of responsibility for defective workmanship or material.

PPS 49-0840 Interest

(1) Prompt Payment Policy. The District ~~must~~shall pay promptly all payments due and owing to the Contractor on Contracts for Public Improvements.

(2) Interest on Progress Payments. Late payment interest ~~must~~shall begin to accrue on payments due and owing on the earlier of 30 ~~Days~~days after receipt of invoice or 15 ~~Days~~days after District approval of payment (the "Progress Payment Due Date"). The interest rate ~~must~~shall equal three times the discount rate on 90-day commercial paper in effect on the Progress Payment Due Date at the Federal Reserve Bank in the Federal Reserve District that includes Oregon, up to a maximum rate of 30 percent.

(3) Interest on Final Payment. Final payment on the Contract Price, including Retainage, ~~must~~shall be due and owing no later than 30 ~~Days~~days after Contract completion and acceptance of the ~~Work~~work. Late-payment interest on such final payment ~~must~~shall thereafter accrue at the rate of ~~1½~~one and one-half percent per month until paid.

(4) Settlement or Judgment Interest. In the event of a dispute as to compensation due a Contractor for Work performed, upon settlement or judgment in favor of the Contractor, interest on the amount of the settlement or judgment ~~must~~shall be added to, and not made part of, the settlement or judgment. Such interest, at the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon, ~~must~~shall accrue from the later of the Progress Payment Due Date, or 30 ~~Days~~days after the Contractor submitted a claim for payment to the District in ~~Writing~~writing or otherwise in accordance with the Contract requirements.

PPS 49-0850 Final Inspection

(1) Notification of Completion; Inspection. The Contractor ~~must~~shall notify the District in ~~Writing~~writing when the Contractor considers the Contract Work completed. Within 15 ~~Days~~days of receiving the Contractor's ~~Notice~~notice, the District ~~will~~shall inspect the ~~Project~~project and ~~Project~~project records, and will either accept the ~~Work~~work or notify the Contractor of remaining Work to be performed.

(2) Acknowledgment of Acceptance. When the District finds that all Work required under the Contract has been completed satisfactorily, the District ~~must~~shall acknowledge acceptance of the ~~Work~~work in ~~Writing~~writing.

PPS 49-0860 Public Works Contracts

(1) Generally. ORS 279C.800 ~~through~~to 279C.870 regulates Public Works Contracts, as defined in ORS 279C.800(6), and requirements for payment of prevailing wage rates. Also see ~~BOLI rules~~the administrative rules of the Bureau of Labor and Industries (BOLI) at OAR Chapter 839.

(2) Required Contract Conditions. As detailed in the above statutes and ~~Rules~~rules, every Public Works Contract ~~must~~shall contain the following provisions:

(a) District authority to pay certain unpaid claims and charge such amounts to Contractors, as set forth in ORS 279C.515(1).

(b) Maximum hours of labor and overtime, as set forth in ORS 279C.520(1).

(c) Employer ~~Notice~~notice to employees of hours and ~~Days~~days that employees may be required to Work, as set forth in ORS 279C.520(2).

(d) Contractor-required payments for certain services related to sickness or injury, as set forth in ORS 279C.530.

(e) ~~Requirement~~A requirement for payment of ~~Prevailing Rate of Wage~~prevailing rate of wage, as set forth in ORS 279C.830(1). If both state and federal prevailing rates of wage apply, the contract and every subcontract ~~must~~shall provide that all workers ~~must~~shall be paid the higher of the applicable state or federal ~~Prevailing Rate of Wage~~prevailing rate of wage.

(f) A requirement for filing a public works bond by the ~~Contractor~~contractor and every subcontractor, as set forth in ORS 279(C).830(~~1)(a~~2).

(3) Requirements for Specifications. The ~~Specifications~~specifications for every Public Works Contract, consisting of the ~~Procurement~~procurement package (such as the ~~Project~~project Manual, ~~Bid or Proposal~~bid or proposal booklets, Request for ~~Quotes~~quotes, or similar ~~Procurement Specifications), must~~procurement specifications), shall contain the following provisions:

(a) The ~~State Prevailing Rate of Wage~~state prevailing rate of wage, and, if applicable, the federal ~~Prevailing Rate of Wage~~prevailing rate of wage, as required by ORS 279C.830(1)(a):

(A) Physically contained within or attached to hard copies of ~~Procurement Specifications~~procurement specifications;

(B) Included by a statement incorporating the applicable wage rate publication into the ~~Specifications~~specifications by reference in compliance with OAR 839-025-0020; or

(C) When the rates are available electronically or by Internet access, the rates may be incorporated into the ~~Specifications~~specifications by referring to the rates and providing adequate information on how to access them in compliance with OAR 839-025-0020.

(b) If both state and federal prevailing rates of wage apply, a requirement that the Contractor shall pay the higher of the applicable state or federal prevailing rate of way to all workers. See BOLI rules at OAR 839-025-0020 and ~~839-025-0035~~-0035.

(c) A requirement for filing a public works bond by the Contractor and every subcontractor, as set forth in ORS 279C.830(2).

PPS 49-0870 Specifications; Brand Name Products

(1) Generally. The District's Solicitation Document ~~must~~shall not expressly or implicitly require any product by ~~Brand Name~~brand name or mark, nor ~~must~~shall it require the product of any particular manufacturer or seller, except pursuant to an exemption granted under ORS 279C.345(2).

(2) Equivalents. The District may identify products by Brand Names as long as the following language: "approved equal," "or equal," "approved equivalent," or "equivalent," or similar language is included in the Solicitation Document. The District ~~must~~shall determine, in its sole discretion, whether an Offeror's alternate product is "equal" or "equivalent."

(3) Product Exemption. The Superintendent is delegated the authority to exempt products from the prohibition in ~~Section~~section (1) of this ~~Rule~~rule, pursuant to ORS 279C.345(2), upon any of the following ~~Written Findings~~written findings:

(a) It is unlikely that the exemption will encourage favoritism in the ~~Awarding~~awarding of Public Improvement Contracts or substantially diminish competition for Public Improvement Contracts;

(b) The ~~Specification~~specification of a product by Brand Name or mark, or the product of a particular manufacturer or seller, would result in substantial cost savings to the District;

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

(d) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment or supplies.

PPS 49-0880 Records Maintenance; Right to Audit Records

(1) Records Maintenance; Access. Contractors and subcontractors ~~must~~shall maintain all fiscal records relating to Contracts in accordance with generally accepted accounting principles ("GAAP"). In addition, Contractors and subcontractors ~~must~~shall maintain all other records necessary to clearly document (i) their performance, and (ii) any claims arising from or relating to their performance under a Public Contract. Contractors and subcontractors ~~must~~shall make all records pertaining to their performance and any claims under a Contract (the books, fiscal records, and all other records, hereafter referred to as "Records") accessible to the District at reasonable times and places, whether or not litigation has been filed as to such claims.

(2) Inspection and Audit. The District may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the Records of any Person that has submitted cost or pricing data according to the terms of a Contract to the extent that the Records relate to such cost or pricing data. If the Person ~~must~~shall provide cost or pricing data under a Contract, the Person ~~must~~shall maintain such Records that relate to the cost or pricing data for three years from the date of final payment under the Contract, unless a shorter period is otherwise authorized in ~~Writing~~writing.

(3) Records Inspection; Contract Audit. The District and its authorized representatives ~~must~~shall be entitled to inspect, examine, copy, and audit any Contractor's or subcontractor's Records, as provided in ~~Section~~section (1) of this ~~Rule~~rule. The Contractor and subcontractor ~~must~~shall maintain the Records and keep the Records accessible and available at reasonable times and places for a minimum period of three years from the date of final payment under the Contract or subcontract, as applicable, or until the conclusion of any audit, controversy, or litigation arising out of or related to the Contract, whichever date is later, unless a shorter period is otherwise authorized in ~~Writing~~writing.

PPS 49-0890 District Payment for Unpaid Labor or Supplies

(1) Contract Incomplete. If the Contract is still in force, the District may, in accordance with ORS 279C.515(1), pay a valid claim to the Person furnishing the labor or ~~Services~~services, and charge the amount against payments due or to become due to the Contractor under the Contract. If the District chooses to make such a payment as provided in ORS 279C.515(1), the Contractor and the Contractor's surety ~~must~~shall not be relieved from liability for unpaid claims.

(2) Contract Completed. If the Contract has been completed and all funds disbursed to the prime Contractor, all claims ~~must~~shall be referred to the Contractor's surety for resolution. The District ~~must~~shall not make payments to subcontractors or suppliers for Work already paid for by the District.

PPS 49-0900 Contract Suspension; Termination Procedures

(1) Suspension of ~~Work~~work. In the event the District suspends performance of ~~Work~~work for any reason considered by the District to be in the public interest other than a labor dispute, the Contractor

~~must~~shall be entitled to a reasonable extension of Contract time and to reasonable compensation for all costs, including a reasonable allowance for related overhead, incurred by the Contractor as a result of the suspension.

(2) Termination of Contract by Mutual Agreement for Reasons Other Than Default.

(a) Reasons for termination. The parties may agree to terminate the Contract or a divisible portion thereof if:

(A) The District suspends Work under the Contract for any reason considered to be in the public interest (other than a labor dispute, or any judicial proceeding relating to the ~~Work~~work filed to resolve a labor dispute); and

(B) Circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the ~~Work~~work.

(b) Payment. When a Contract, or any divisible portion thereof, is terminated pursuant to this ~~Section~~section (2), the District ~~must~~shall pay the Contractor a reasonable amount of compensation for preparatory Work completed, and for costs and expenses arising out of termination. The District ~~must~~shall also pay for all Work completed based on the Contract Price. Unless the ~~Work~~work completed is subject to unit or itemized pricing under the Contract, payment ~~must~~shall be calculated based on percent of Contract completed. No claim for loss of anticipated profits will be allowed.

(3) Public Interest Termination by the District. The District may include in its Contracts terms detailing the circumstances under which the Contractor ~~must~~shall be entitled to compensation as a matter of right in the event the District unilaterally terminates the Contract for any reason considered by the District to be in the public interest.

(4) Responsibility for Completed Work. Termination of the Contract or a divisible portion thereof pursuant to this ~~Rule must~~rule shall not relieve either the Contractor or its surety of liability for claims arising out of the ~~Work~~work performed.

(5) Remedies Cumulative. The District may, at its discretion, avail itself of any or all rights or remedies set forth in these ~~Rules~~rules, in the Contract, or available at law or in equity.

CONTRACT AMENDMENTS AND CHANGE ORDERS

PPS 49-0910 Public Improvement Contract Amendments and Changes to the Work

(1) Definitions for Rule. As used in this ~~Rule~~rule with regard to Public Improvement Contracts:

(a) "Amendment" means a ~~Written~~written modification to the terms and conditions of a Public Improvement Contract, other than by Changes to the ~~Work~~work, within the general scope of the original ~~Procurement~~procurement that requires mutual agreement between the District and the Contractor.

(b) "Changes to the ~~Work~~work" means a mutually agreed-upon ~~Change Order, or a Construction Change Directive or other Written~~change order, or a construction change directive or other written order issued by the District or its authorized representatives to the Contractor requiring a Change in the ~~Work~~work within the general scope of a Public Improvement Contract and issued under its Changes provisions in administering the Contract and, if applicable, adjusting the Contract Price or Contract time for the Changed Work.

(2) Change Orders. Changes to the ~~Work~~work are anticipated in construction and, accordingly, the District shall include Change provisions in all Public Improvement Contracts that detail the scope of the Changes clause, provide pricing mechanisms, authorize the District or its authorized representative(s) to issue Changes to the ~~Work~~work, and provide a procedure for addressing Contractor claims for additional

time or compensation. When Changes to the ~~Work~~work are agreed to or issued consistent with the Contract's Changes provisions, they are not considered to be new ~~Procurements~~procurements, and an exemption from ~~Competitive~~competitive Bidding is not required for their issuance by the District. Change orders that are approved pursuant to the terms of a construction contract are not subject to the contract ~~Amendment~~amendment procedures of these rules except as provided in Subsection 5 of this section.

(3) Change Order Authority. The District may establish internal limitations and delegations for authorizing Changes to the ~~Work~~work, including dollar limitations. Dollar limitations on Changes to the ~~Work~~work are not set by these ~~Rules~~rules, but such Changes are limited by the above definition of that term.

(4) Contract Amendments. Public Improvement Contract ~~Amendments~~amendments within the general scope of the original ~~Procurement~~procurement are not considered to be new ~~Procurements~~procurements, and an exemption from ~~Competitive~~competitive Bidding is not required in order to add components or phases of ~~Work~~work specified in or reasonably implied from the Solicitation Document. Amendments to a Public Improvement Contract may be made only when:

(a) They are within the general scope of the original ~~Procurement~~procurement;

(b) The field of competition and Contractor selection would not likely have been affected by the Contract modification. Factors to be considered in making that determination include similarities in Work, ~~Project~~project site, relative dollar values, differences in risk allocation, and whether the original ~~Procurement~~procurement was accomplished through ~~Competitive~~competitive Bidding, ~~Competitive~~competitive Proposals, ~~Competitive Quotes~~competitive quotes, sole-source, or Emergency Contract;

(c) In the case of a Contract obtained under an Alternative Contracting Method, any additional Work was specified or reasonably implied within the ~~Findings~~findings supporting the ~~Competitive~~competitive Bidding exemption; and

(d) The ~~Amendment~~amendment is made consistent with this ~~Rule~~rule and other applicable legal requirements.

(5) Reporting Requirement for Amendments/Change Orders That Exceed 125% of Original Contract Price.

(e) A Contract Amendment or Change Order or cumulative Contract Amendments or Change Orders that increase the total Contract Price to greater than one hundred twenty five percent (125%) of the original Contract Price shall be reported to the School Board, except in any of the following circumstances:

(D) The Original Contract Price does not exceed $500,000.

(E) The Superintendent determines that the Amendment, additional scope, or alternative work was contemplated in the original procurement and provided for in the original Contract, and the School Board previously approved the entire scope and/or maximum renewal terms. (Examples include a solicitation and contract that provides for renewal or extension for subsequent terms or a contract that specifically allows for alternates or additional work.)

(F) Where a CM/GC or Design/Build Contract authorizes Early Work Amendments and requires execution of the GMP amendment to establish the total Contract Price, the GMP amendment shall establish the "Original Contract Price" for purposes of this Rule.

(f) Contracts subject to the reporting requirement under this Rule shall be reported to the School Board a second time if subsequent Amendments or Change Orders increase the total Contract Price to greater than one hundred and fifty percent (150%) of the original Contract Price.

(g) Contracts subject to the reporting requirement under this Rule shall be reported to the Board at the next regular business meeting of the Board following approval of the amendment or change triggering the reporting requirement. The report shall include an explanation of the basis for the amendment or change order.

END OF DIVISION 49

RESOLUTION No. 6818

The Following Index to the Minutes are offered for Adoption

- 12/12/23 – Regular Meeting

PORTLAND PUBLIC SCHOOLS

BOARD OF EDUCATION

Index to the Minutes

(Draft for Approval)

Regular Meeting
December 12, 2023

This document is a record of the actions taken by the Board of Education. In accordance with ORS 192.650, the District's official School Board Meeting Minutes are maintained via video recording and may be viewed at https://youtu.be/vUAUKKW4NKw?si=wPZDeU9208eLzVbi

This meeting was held at the Dr. Matthew Prophet Education Center (Prophet Center) located at 501 N Dixon St. Portland, OR 97217 and streamed live at: https://www.youtube.com/@ppsboardofeducation/live

Board Member Attendance

Present: Chair Gary Hollands; Vice-Chair Herman Greene; Directors Julia Brim-Edwards, Michelle DePass, Andrew Scott, Patte Sullivan, and Eddie Wang; Student Representative Frankie Silverstein

Absent: None

DRAFT

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AGENDA

Time Started	*Agenda Title*
6:00 pm	Consent Agenda
6:07 pm	Student Performance: Jefferson Dancers
6:21 pm	Board Member Declarations to be Considered for Board Leadership
6:32 pm	Recess due to technical difficulties
6:41 pm	Superintendent's Report
6:46 pm	Student Representative's Report
6:51 pm	Student Comment
7:01 pm	Middle School Spotlights (Robert Grey and Beaumont)
7:22 pm	Resolution Authorizing Reassessment of the Modernization Design of Jefferson High School (Resolution 6806)
7:41 pm	Second Reading of Policy Revisions
7:49 pm	OSBA Annual Elections
7:51 pm	Public Comment
8:08 pm	Student Investment Account Report
8:18 pm	2023-2024 Budget Amendment Preview
8:43 pm	Fall MAP Results
9:32 pm	First Reading of Policy Revisions
9:35 pm	Consent Agenda
9:38 pm	Comments from our Union Partners
10:03 pm	Adjourn

STUDENT AND PUBLIC COMMENT

General Student Comment

- Kiyomi McCollister – Dual Language Immersion trip
- Hanix Verar Van Allen – Dual Language Immersion trip
- Ray Cook and Brooklyn Clark – Dual Language Immersion trip

General Public Comment

- Donelda Weiss
- Nazgul Chester
- Jackie Dion
- Katia Fleischman

STATEMENT(S) FOR THE RECORD

Julia Brim-Edwards – 2023-2024 Budget Amendment 1 Preview

Staff reports that the budget amendment agenda item for the December 12, 2023 Board meeting contemplates funding for the PAT Substitute Educators incentive pay for the week of December 18-22, 2023; however, the Board vote authorizing the funding in the budget amendment is not scheduled until the January 9, 2024 Board meeting.

The Board authorization vote should occur in advance of the pay incentive being offered. An authorizing resolution was prepared, however it was prepared after the deadline for Board materials to be submitted and therefore not considered. I support the pay incentive and would have voted in support of this resolution had this been before the Board for consideration and approval at its December 12, 2023 Board meeting.

DRAFT

ACTIONS TAKEN

Resolution 6789: Resolution to Adopt Revised Diversity in Employment Policy 5.10.025-P

Director DePass moved and Director Brim-Edwards seconded the motion to approve Resolution 6789. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Silverstein: Yes (Unofficial)

Resolution 6790: Resolution to Adopt Revised Naming School District Property 2.20.010-P

Director Scott moved and Director Brim-Edwards seconded the motion to approve Resolution 6790. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Silverstein: Yes (Unofficial)

OSBA Annual Elections – Resolutions 6802 through 6805

- Resolution 6802 - to Support Kris Howatt for the Oregon School Boards Association Board of Directors Position Number 18
- Resolution 6803 - to Support Jessica Arzate for the Oregon School Boards Association Legislative Policy Committee Position Number 18
- Resolution 6804 - to Support Brenda Rivas for the Oregon School Boards Association Legislative Policy Committee Position Number 17
- Resolution 6805 - to Support David Linn for the Oregon School Boards Association Legislative Policy Committee Position Number 19

Director Scott moved and Director DePass seconded the motion to approve Resolutions 6802 through 6805. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Silverstein: Yes (Unofficial)

Resolution 6806: Resolution Authorizing Reassessment of the Modernization Design of Jefferson High School

Director Greene moved and Director Brim-Edwards seconded the motion to approve Resolution 6806. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Silverstein: Yes (Unofficial)

(continued on next page)

DRAFT

Consent Agenda – Resolutions 6807 through 6811

- Resolution 6807 - Licensed Administrator and Non-Represented Schedules Adjustment
- Resolution 6808 - Adoption of the Index to the Minutes
- Resolution 6809 - Authorizing Off-campus Activities
- Resolution 6810 - Expenditure Contracts that Exceed Delegation of Authority
- Resolution 6811 - Revenue Contracts that Exceed Delegation of Authority

Director Greene moved and Director Brim-Edwards seconded the motion to approve the Consent Agenda, including Resolutions 6807 through 6811. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Silverstein: Yes (Unofficial)

DRAFT

RESOLUTION No. 6789

Resolution to Adopt Revised Diversity in Employment Policy 5.10.025-P

RECITALS

A. On August 7, August 28, and September 18 2023, the Board Policy Committee reviewed and considered the proposed revisions of the Diversity in Employment Policy 5.10.025-P.

B. On October 10, 2023, the Board presented the first reading of the revised Diversity in Employment Policy.

C. Pursuant to District policy, the public comment was open for at least 21 days, and there was no public comment received during the comment period.

RESOLUTION

The Board hereby adopts the revised Diversity in Employment Policy 5.10.025-P and instructs the Superintendent to amend any relevant administrative directives to conform to this adopted policy.

DRAFT

RESOLUTION No. 6790

Resolution to Adopt Revised Naming School District Property 2.20.010-P

RECITALS

A. On August 7, August 28, and September 18 2023, the Board Policy Committee reviewed and considered the proposed revisions of the Naming School District Property 2.20.010-P policy.

B. On October 10, 2023, the Board presented the first reading of the revised Naming School District Property policy.

C. Pursuant to District policy, the public comment was open for at least 21 days, and there was no public comment received during the comment period.

RESOLUTION

The Board hereby adopts the revised Naming School District Property 2.20.010-P policy and instructs the Superintendent to amend any relevant administrative directives to conform to this adopted policy.

DRAFT

RESOLUTION No. 6802

Resolution to Support Kris Howatt for the Oregon School Boards Association Board of Directors Position Number 18

RECITALS

A. Portland Public Schools is a member of the Oregon School Boards Association.

B. The Oregon School Boards Association requests the Portland Public Schools Board of Education to cast its vote for OSBA governance positions.

RESOLVED

The Portland Public Schools Board of Education supports Kris Howatt for the OSBA Board of Director position 18.

DRAFT

RESOLUTION No. 6803

Resolution to Support Jessica Arzate for the Oregon School Boards Association Legislative Policy Committee Position Number 18

RECITALS

A. Portland Public Schools is a member of the Oregon School Boards Association.

B. The Oregon School Boards Association requests the Portland Public Schools Board of Education to cast its vote for OSBA governance positions.

RESOLVED

The Portland Public Schools Board of Education supports Jessica Arzate for the OSBA Legislative Policy Committee position 18.

DRAFT

RESOLUTION No. 6804

Resolution to Support Brenda Rivas for the Oregon School Boards Association Legislative Policy Committee Position Number 17

RECITALS

A. Portland Public Schools is a member of the Oregon School Boards Association.

B. The Oregon School Boards Association requests the Portland Public Schools Board of Education to cast its vote for OSBA governance positions.

RESOLVED

The Portland Public Schools Board of Education supports Brenda Rivas for the OSBA Legislative Policy Committee position 17.

DRAFT

RESOLUTION No. 6805

Resolution to Support David Linn for the Oregon School Boards Association Legislative Policy Committee Position Number 19

RECITALS

A. Portland Public Schools is a member of the Oregon School Boards Association.

B. The Oregon School Boards Association requests the Portland Public Schools Board of Education to cast its vote for OSBA governance positions.

RESOLVED

The Portland Public Schools Board of Education supports David Linn for the OSBA Legislative Policy Committee position 19.

DRAFT

RESOLUTION No. 6806

Resolution Authorizing Reassessment of the Modernization Design of Jefferson High School

RECITALS

A. The Board of Education adopted resolutions 6153 and 6161 authorizing submission to the voters of Portland Public Schools (PPS) a general obligation bond that included the full modernization of Jefferson High School.

B. The election was duly and legally held on November 3, 2020, and the general obligation bonds were approved by a majority of the qualified voters of PPS voting at the election.

C. On December 13, 2022, the Board of Education approved Resolution 6627, which authorized the Jefferson High School Modernization Comprehensive Plan and directed staff to utilize the Jefferson High School Comprehensive Master Planning Report as a guide to construct the modernized Jefferson High School to an approximate size of 339,000 square feet.

D. Development of the Jefferson High School Modernization Comprehensive Plan was informed by considerable community feedback over the course of several years. Community input was material in the decision to retain and modernize the original 1909 school building.

E. After significant due diligence, in June 2023, PPS refined the project costing structure of the approved schematic design, and identified significant project overage above the board-approved budget. One of the primary cost drivers was the unexpected cost to modernize the 1909 building (a 4-story historic unreinforced masonry structure) while also keeping students on site during construction. In mid-July, the Jefferson Modernization Project Team hosted a workshop to review project assumptions, goals, and strategies and to look for opportunities to get the project back on budget. The outcome was a design that would retain and modernize the 1909 building but require Jefferson High School students to temporarily relocate to the Marshall High School Campus during construction.

F. The need to temporarily relocate students during construction in order to retain the 1909 building was new information to the District and community, and posed several challenges due to the distance of the swing site. Community feedback received over the last several months is that the Jefferson High School community would strongly prefer to keep the students on site during construction and construct a new high school building, demolish the 1909 building, instead of temporarily relocating students.

RESOLUTION

1. The Board of Education directs the Superintendent to reassess the current site and building design and related land-use efforts so that Jefferson High School students and staff will not relocate to another temporary site during construction of the modernized Jefferson High School.

2. The Superintendent will return to the Board of Education in 120 days with an updated plan to modernize Jefferson High School. The updated plan will include a targeted student enrollment of 1,700, will keep students and staff largely on the Jefferson High School campus during construction, demolish the 1909 building, and will seek to conform to PPS's current high school education specifications area program. The plan will strive to deliver the project within the currently available bond (and other available) funding and will identify anticipated budget overage. The plan will not include colocation of the Center for Black Student Excellence, Harriet Tubman Middle School, or other unaffiliated to Jefferson High School programs.

DRAFT

RESOLUTION No. 6807

Licensed Administrator and Non-Represented Schedules Adjustment

RECITALS

A. Licensed Administrators (Principals, Assistant and Vice Principals, and Program Administrators) and non-represented employees play a vital role in the day-to-day operations of Portland Public Schools, including the management of programs and schools and the provision of professional and administrative work that support classrooms and student learning.

B. Compensation and benefits are crucial to recruiting and retaining highly qualified and experienced licensed administrators and non-represented employees at PPS.

C. Current labor market conditions and contract negotiations with represented bargaining units have created compression in compensation and benefits compared with unrepresented staff.

D. PPS believes that investing in a diverse, high-quality, thriving workforce is critical to achieving our strategic goals and providing high-quality education to students.

RESOLUTION

The School Board authorizes:

A. The Superintendent to adjust the Licensed (Certified) Administrator's salary schedule in an amount not exceeding 3.25% for fiscal year 2024.

B. The Superintendent to adjust the Confidential, Professional, and Management (non-represented directors and below) salary schedules in an amount not to exceed 1% for fiscal year 2024.

C. These adjustments are specific to the salary schedules identified and do not apply to Senior Leadership schedules (senior directors and above).

DRAFT

RESOLUTION No. 6808

The Following Index to the Minutes are offered for Adoption

- November 28, 2023 – Special Meeting

DRAFT

RESOLUTION No. 6809

Authorization for Off-Campus Activities

RECITAL

Portland Public Schools ("District") Policy 6.50.010-P ("Off-Campus Activities") requires the Board of Education ("Board") consent to student out-of-state travel.

RESOLUTION

The Board has reviewed the request for out-of-state travel. All required documents have been submitted to the Risk Management Department. The Superintendent recommends that the Board consent to the student out-of-state travel for the below request:

AUTHORIZATION FOR OFF-CAMPUS ACTIVITIES

Date(s)	School, Course, and Number of Students	Purpose of Travel	Travel Destination	Estimated Cost	Equitable Field Trip Fund; %
12/26-12/31/23	Wells HS M Basketball, 12	Basketball tournament	Oakland High School, Oakland, CA	$1757	N/A

DRAFT

RESOLUTION No. 6810

Expenditure Contracts that Exceed $150,000 for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds $150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Admin, Funding Source	Certified Business
IDEA Language Services, Inc.	12/13/23 through 10/25/24 Option to renew for one additional one-year term through 10/25/25	Personal Services PS 94437	Translation services for Bond-funded instructional resources. Request for Proposals 2021-3003	Not to Exceed $370,000	C. Proctor Funding Source Varies	No
Sonova USA, Inc.	12/13/23	Purchase Order PO 166698 PO 166700 PO 166702 PO 166705	Assisted listening devices and related equipment for hearing impaired students. Sole Source - PPS-47-0275	$315,685	D. Jung Fund 458 Dept. 5511 Project varies	No

*A Certified Business is a for-profit business certified as a Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) by the State of Oregon Certification Office for Business Inclusion and Diversity.

NEW COOPERATIVE PURCHASING AGREEMENTS

Contractor	Contract Term, Renewal Options	Administering Contracting Agency	Description of Goods or Services	Estimated Spend During Contract Term	Responsible Administrator, Funding Source	Certified Business

NEW INTERGOVERNMENTAL AGREEMENTS ("IGAs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Portland State University	11/28/23 through 6/30/24	Intergovernmental Agreement IGA 94431	Participation in the Racial Equity Centered Pipeline Initiative. Year 3 goals include clinical coaching, equity audit, affinity space support, and faculty collaboration	$585,315	C. Proctor Fund 299 Dept. 5449 Grant S0455

DRAFT

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Amendment Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Admin, Funding Source	Certified Business
Canby School District	12/13/23 through 10/31/25	Intergovernmental Agreement IGA 89876 Amendment 2	Transportation services for qualifying students who attend a Canby school but temporarily reside within the PPS boundary, as required by federal law. This amendment adds funds to the contract.	$75,000 $153,000	D. Jung Fund 101 Dept. 5560	N/A - Intergovernmental
City of Portland	12/13/23 through 6/30/24	Intergovernmental Agreement IGA 86852 Amendment 5	City of Portland administers the District's Construction Workforce Equity Program. This amendment extends services for one additional year.	$62,545 $341,942	D. Jung Fund 456 Dept. 5511 Project DF120	N/A - Intergovernmental

New encumbered contracts: $901,000

On-call, potential spend contracts: $370,000

Amendments: $137,545

DRAFT

RESOLUTION No. 6811

Revenue Contracts that Exceed $150,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding $150,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE ("IGA/Rs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
State of Oregon	7/1/23 through 6/30/24	Intergovernmental Agreement / Revenue IGA/R 94417	2023-24 Funding for Head Start.	$7,335,704	C. Proctor Fund 205 Dept. 6303 Grant G2289
State of Oregon	7/1/23 through 6/30/24	Intergovernmental Agreement / Revenue IGA/R 94453	2023-24 Measure 98/High School Success grant agreement.	$12,264,032	C. Proctor Fund 205 Dept. 9999 Grant G2297

AMENDMENTS TO EXISTING REVENUE CONTRACTS

No Amendments to Existing Revenue Contracts

DRAFT

RESOLUTION No. 6819

Expenditure Contracts that Exceed $150,000 for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds $150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Admin, Funding Source	Certified Business
IRS Environmental of Portland, Inc.	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94390	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	No
Northstar CG, LP	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94391	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	No
Performance Abatement Services, Inc.	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94430	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	No
Professional Minority Group	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94433	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	MBE, WBE
Pacific Northwest Environmental, LLC	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94434	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	WBE
Rose City Contracting, Inc.	1/10/24 through 1/9/26 Option to renew for up to five additional one-year terms through 1/9/31	Services S 94436	On-call hazardous abatement services. Request for Proposals 2023-004	Not to Exceed $3,000,000	D. Jung Funding Source Varies	No

*A Certified Business is a for-profit business certified as a Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) by the State of Oregon Certification Office for Business Inclusion and Diversity.

NEW COOPERATIVE PURCHASING AGREEMENTS

Contractor	Contract Term, Renewal Options	Administering Contracting Agency	Description of Goods or Services	Estimated Spend During Contract Term	Responsible Administrator, Funding Source	Certified Business

NEW INTERGOVERNMENTAL AGREEMENTS ("IGAs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Amendment Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Admin, Funding Source	Certified Business

New encumbered contracts: $0

On-call, potential spend contracts: $18,000,000

Amendments: $0

RESOLUTION No. 6820

Revenue Contracts that Exceed $150,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding $150,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE ("IGA/Rs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
State of Oregon	7/1/23 through 6/30/25	Intergovernmental Agreement / Revenue IGA/R 94506	Funding for reengagement services.	$250,000	C. Proctor Fund 205 Dept. 5485 Grant G2563

AMENDMENTS TO EXISTING REVENUE CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
State of Oregon	7/1/23 through 6/30/25	Intergovernmental Agreement / Revenue IGA/R 94417 Amendment 1	State funding for Head Start. Amendment adds FY24-25 funding.	$8,157,302 $16,314,605	C. Proctor Fund 205 Dept. 6303 Grant G2289

RESOLUTION No. 6821

Authorization for Off-Campus Activities

RECITAL

Portland Public Schools ("District") Policy 6.50.010-P ("Off-Campus Activities") requires the Board of Education ("Board") consent to student out-of-state travel.

RESOLUTION

The Board has reviewed the request for out-of-state travel. All required documents have been submitted to the Risk Management Department. The Superintendent recommends that the Board consent to the student out-of-state travel for the below request:

AUTHORIZATION FOR OFF-CAMPUS ACTIVITIES

Date(s)	School, Course, and Number of Students	Purpose of Travel	Travel Destination	Estimated Cost	Equitable Field Trip Fund; %
1/13-1/16/24	BHS W Basketball, 12	Basketball tournament	Hiland High School in Berlin, Ohio	$400	N/A

RESOLUTION No. 6822

Appointment of Custodial Civil Service Board Member

RECITALS

A. The Portland Custodial Civil Service Board was established in 1937 following the passage of the Custodian Civil Service Bill (SB 260) by the Oregon Legislature.

B. The Custodial Civil Service Board is an independent entity created under this law and is responsible for the oversight of the application and administration of the Custodial Civil Service Law (ORS 242.310 to 242.640 and ORS 242.990) in the Portland Public School District.

C. Board Commissioners are appointed by the PPS Board of Education for a term of two, four or six years.

D. There is a vacancy on the Custodial Civil Service Board.

E. Paul Hathaway has been nominated to serve in Position 3 of the Custodial Civil Service Board for a term of six years.

F. Paul Hathaway is an Oregon attorney who has been practicing for 5 years. He graduated from Lewis and Clark Law School in 2018 and began his career doing Social Security Disability work. For the last four years Mr. Hathaway has done insurance defense work in the construction defect realm, representing local and multi-state contractors in litigation matters and has a passion for labor and employment issues. Mr. Hathaway is a member of the Multnomah Bar Association's Professionalism Committee as well as recently joining the Oregon Association of Defense Counsel's leadership team for the Construction Practice Group as the publications liaison. A lifelong Oregon resident, Mr. Hathaway graduated from Hillsboro High School and has been a resident of Multnomah County since 2018.

RESOLUTION

1. Paul Hathaway is appointed to the Custodial Civil Service Board with an expiration date of January 9, 2030.

PORTLAND PUBLIC SCHOOLS
FACILITIES OPERATIONS & WAREHOUSE
501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3019

To: School Board

From: Frank Leavitt, Director, Facilities Operations and Warehouse

Subject: Appointment to the Portland Custodial Civil Service Board - Commissioner Pos. No. 3

The Portland Custodial Civil Service Board was established on August 1st, 1937 following the passage of the Custodian Civil Service Bill (SB 260) by the Oregon Legislature and was signed into law by then Governor Charles H. Martin on March 10th, 1937. The CCSB is an independent entity created under this law and is responsible for the judicial oversight of the application and administration of the Custodian Civil Service Law (ORS 242.310 to 242.640 and ORS 242.990) in the Portland Public School District. Board Commissioners are appointed by the PPS Board of Education for a term of six years.

In all Oregon school districts having a population of 475,000 or more persons according to the last federal census, there is created a civil service board with jurisdiction over the appointment, employment, classification and discharge of custodians and assistant custodians in the employ of the school district. (2) The board shall be composed of three commissioners. An alternate for each commissioner may be appointed to serve in the commissioner's absence. The commissioners and alternates shall be appointed by the school board of the district.

To be eligible for appointment to the board, a commissioner shall: (1) Be a resident of Oregon. (2) Be known to be devoted to the principles of civil service. (4) Not be a member or employee of the school board.

Paul Hathaway is an Oregon attorney who has been practicing for 5 years. He graduated from Lewis and Clark Law school in 2018 and began his career doing Social Security Disability work. For the last four years Mr. Hathaway has done insurance defense work in the construction defect realm, representing local and multi-state contractors in litigation matters and has a passion for labor and employment issues. Mr. Hathaway is a member of the Multnomah Bar Association's Professionalism Committee as well as recently joining the Oregon Association of Defense Counsel's leadership team for the Construction Practice Group as the publications liaison. A lifelong Oregon resident, Mr. Hathaway graduated from Hillsboro High School and has been a resident of Multnomah County since 2018.

RESOLUTION No. 6823

Appointment of Community Budget Review Committee Student Representative Members

RECITALS

A. The mission of the Community Budget Review Committee (CBRC) is to review, evaluate, and make recommendations to the Board of Education (Board) regarding the Superintendent's Proposed Budget and other budgetary issues identified by the CBRC or the Board. The CBRC receives its charge from the Board.

B. On November 5, 2019, the voters of the Portland Public School (PPS) District passed a renewal Local Option Levy, Measure 26-207, which became effective in 2020, which mandated independent community oversight to ensure tax dollars are used for purposes approved by local voters, and the CBRC serves that function for PPS.

C. The CBRC is composed of eight to twelve volunteer members. The Board appoints members to three-year terms with one or two student members appointed to one-year terms.

D. The Board recognizes that District employees and community members bring specialized knowledge and expertise to the CBRC and budgetary review process. The Board instructs all CBRC members to employ discretion, avoid conflicts of interest or appearance of impropriety, and exercise care in performing their duties.

E. In fall 2023, there was an open recruitment for three three-year terms and two one-year student representative terms. Three CBRC members were appointed by the Board to three-year terms on November 7, 2023. During this recruitment, no student applications were received.

F. The application for student representatives remained open through November 30, 2023. Six students applied to join CBRC during the extended recruitment. All six students were interviewed.

G. The CBRC Selection Committee members were: CBRC members Roger Kirchner and Tasz Ferguson, Alexandra Martin, Finance Program Manager, and Board Director Patte Sullivan.

H. After the interview phase, the panel decided to advance two top-scoring students. The CBRC Selection Committee recommends the Board appoint: Mohammed (Mo) Damtew and Luke Susswood.

RESOLUTION

1. The Portland Public Schools Board of Education hereby appoints Mohammed (Mo) Damtew and Luke Susswood as student representative members of the Community Budget Review Committee for one-year terms through June 30, 2024.

PORTLAND PUBLIC SCHOOLS
FINANCE

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2000

STAFF REPORT

Date: December 19, 2023

To: PPS Board of Directors

From: Alexandra Martin, Finance Program Manager and CBRC Staff Liaison

CC: Myong Leigh, Interim Deputy Superintendent of Business & Operations

Subject: Appointment of Community Budget Review Committee Members

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BACKGROUND

Each year, the Board of Education (Board) appoints a Community Budget Review Committee (CBRC) to assist in the annual budget process. The CBRC reviews, evaluates, and makes recommendations regarding the Superintendent's Proposed Budget and other budgetary issues identified by the Board. The CBRC also monitors and advises the Board on the allocation and expenditure of Local Option Levy funds.

The CBRC is generally composed of eight to twelve volunteer members appointed by the Board and typically meets on a monthly basis during the course of the budget development season. There are also one or two student representatives.

In fall 2023, there was an open recruitment for three three-year terms and two one-year student representative terms. Staff received 44 applications, none of which were students. Three CBRC members were appointed by the Board to three-year terms on November 7, 2023. The application for student representatives remained open through November 30, 2023. Six students applied to join CBRC during the extended recruitment. All six students were interviewed.

The CBRC Selection Committee members were: CBRC members Roger Kirchner and Tasz Ferguson, Alexandra Martin, Finance Program Manager, and Board Director Patte Sullivan.

After the interview phase, the panel decided to advance two top-scoring students. The CBRC Selection Committee recommends the Board appoint: Mohammed (Mo) Damtew and Luke Susswood.

ANALYSIS OF SITUATION

All students who applied were interviewed in this process. Written responses in the application and oral responses in the interviews were scored. Factors for consideration included understanding of PPS's racial equity and social justice core values and the ability to work collaboratively to provide advice to the Board regarding the investment of district resources to further support Board goals and district priorities.

After the interview phase, the panel decided to advance two top-scoring students. The CBRC Selection Committee recommends the Board appoint: Mohammed (Mo) Damtew and Luke Susswood.

FISCAL IMPACT

No fiscal impacts.

CONNECTION TO BOARD GOALS

A primary goal of the CBRC is to review the budget through the lens of making progress on the Board's goals.

STAFF RECOMMENDATION

Staff recommends the passage of the board resolution to appoint the following new Community Budget Review Committee student representative members:

Mohammed (Mo) Damtew
Luke Susswood

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

ML *(Initials)*

ATTACHMENT
Appointment of Community Budget Review Committee Student Representative Members