

# ANNOTATED MINUTES

Thursday, September 14, 2006 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## REGULAR MEETING

*Chair Diane Linn convened the meeting at 9:30 a.m., with Vice-Chair Lonnie Roberts and Commissioners Lisa Naito, Serena Cruz Walsh and Maria Rojo de Steffey present.*

### REGULAR AGENDA PUBLIC COMMENT

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

***NO ONE WISHED TO COMMENT.***

### AUDITOR'S OFFICE

R-1 **9:30 AM TIME CERTAIN:** Presentation and RESOLUTION Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments. Presented by Auditor Suzanne Flynn, Salary Commission Chair Mary Ann Wersch and Invited Others. 30 MINUTES REQUESTED.

***COMMISSIONER NAITO MOVED AND COMMISSIONER CRUZ SECONDED, APPROVAL OF R-1. SUZANNE FLYNN EXPLANATION AND COMMENTS IN APPRECIATION FOR THE WORK OF SALARY COMMISSIONERS MARY ANN WERSCH, LAURA OLSON, RICK HOWELL, DAVID RHYS AND ERIC WILSON. MARY ANN WERSCH PRESENTATION, EXPLANATION AND SALARY RECOMMENDATIONS. MS. WERSCH EXPRESSED APPRECIATION FOR THE ASSISTANCE OF COUNTY ATTORNEY AGNES SOWLE, AUDITOR SUZANNE FLYNN AND STAFF JUDY ROSENBERGER. COMMISSIONER***

**ROBERTS EXPLAINED A HOME RULE CHARTER BALLOT MEASURE AMENDMENT DIRECTING THE MULTNOMAH COUNTY SALARY COMMISSION TO SET THE SALARIES OF THE CHAIR AND COMMISSIONERS WAS ADOPTED IN NOVEMBER, 2004. [BOARD RESOLUTION 05-169 ADOPTED OCTOBER, 2005, CHARGED THE SALARY COMMISSION TO RECOMMEND SALARY ADJUSTMENTS TO THE DISTRICT ATTORNEY'S SALARY.] RESOLUTION 06-154 UNANIMOUSLY ADOPTED.**

**NON-DEPARTMENTAL**

- R-2 Budget Modification NOND-03 Appropriating \$108,988 of County General Fund Contingency to Fund Salary Adjustments for the Multnomah County Chair, County Commissioners and District Attorney

**COMMISSIONER CRUZ MOVED AND COMMISSIONER ROBERTS SECONDED, APPROVAL OF R-2. COUNTY ATTORNEY AGNES SOWLE EXPLANATION AND RESPONSE TO QUESTION OF COMMISSIONER ROBERTS, ADVISING THAT A CONTINGENCY REQUEST WOULD NOT HAVE BEEN NECESSARY IF SALARY COMMISSION RECOMMENDATIONS WERE PRESENTED BEFORE BOARD ADOPTED COUNTY BUDGET IN JUNE. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

- R-3 RESOLUTION Approving the Lease and Subleases Termination Agreement with the Children's Land Trust, Morrison Child and Family Services, and the Multnomah Education Service District at the Regional Children's Campus Property at Edgefield and Authorizing County Chair to Execute Appropriate Documents to Complete the Agreement

**COMMISSIONER ROJO MOVED AND COMMISSIONER CRUZ SECONDED, APPROVAL OF RESOLUTION AND SUBSTITUTE LEASE AGREEMENT. DEPUTY COUNTY ATTORNEY JOHN THOMAS EXPLANATION AND COMMENTS IN APPRECIATION FOR THE EFFORTS OF MIKE**

**SUBLETT. RESOLUTION 06-155 AND  
SUBSTITUTE LEASE UNANIMOUSLY ADOPTED.**

**DEPARTMENT OF COMMUNITY SERVICES**

- R-4 First Reading of an ORDINANCE Amending MCC Chapters 33, 34, 35, 36 and 37 to Allow for the Review and Approval of Certain Past "Unlawfully Divided" Lots and Parcels and to Allow for the Issuance of Certain Building Permits to be Considered Verification of Compliance with Zoning and Land Division Laws in the Determination of "Lots of Record"

**ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER CRUZ MOVED AND COMMISSIONER NAITO SECONDED, APPROVAL OF FIRST READING. PLANNER GARY CLIFFORD AND DIRECTOR KAREN SCHILLING EXPLANATION AND RESPONSE TO BOARD QUESTIONS. COMMISSIONER CRUZ EXPRESSED HER APPRECIATION FOR MR. CLIFFORD AND MS. SCHILLING SPENDING AN HOUR WITH HER YESTERDAY EXPLAINING THIS ORDINANCE. LESLIE NEWBERRY TESTIMONY IN SUPPORT OF PROPOSED ORDINANCE WITH THE ADDITION OF LANGUAGE PERTAINING TO PARENT PROPERTIES AND PRE-EXISTING DENSITY. THOMAS MASSON TESTIMONY REQUESTING REASONABLE STANDARDS IN DETERMINING LEGALITY OF LOTS. DEBI HENKEL COMMENTED REGARDING THE LAND USE PROBLEMS THE NEWBERRYS HAVE BEEN EXPERIENCING SINCE 1994. MR. CLIFFORD RESPONDED TO THE TESTIMONY OF MR. MASSON, ADVISING HIS PROBLEM WOULD BE COVERED BY THIS ORDINANCE. MR. CLIFFORD ADVISED THE PLANNING COMMISSION DISCUSSED BUT WERE NOT ABLE TO ADDRESS THE PROBLEMS OF THE NEWBERRYS AS PART OF THIS ORDINANCE AMENDMENT PROPOSAL. FOLLOWING DISCUSSION WITH COMMISSIONERS NAITO AND ROBERTS AND CHAIR LINN, MR. CLIFFORD AND MS. SCHILLING STATED IT IS THE INTENT OF LAND USE PLANNING TO MAKE LAND USE PROCEDURES**

***EASIER FOR PROPERTY OWNERS AND ADVISED THAT THEY WILL BRING THE NEWBERRY'S ISSUE BACK BEFORE THE PLANNING COMMISSION FOR RECOMMENDATIONS ON HOW TO SOLVE THEIR PROBLEM. FIRST READING UNANIMOUSLY APPROVED. SECOND READING THURSDAY, SEPTEMBER 21, 2006.***

R-5 RESOLUTION Vacating a Portion of Perry-Emerson Road, a Public Road, Located in Unincorporated East Multnomah County, Pursuant to ORS 368.326 to 368.366

***COMMISSIONER NAITO MOVED AND COMMISSIONER ROJO SECONDED, APPROVAL OF R-5. PATRICK HINDS EXPLANATION. RESOLUTION 06-156 UNANIMOUSLY ADOPTED.***

**DEPARTMENT OF COUNTY MANAGEMENT**

R-6 RESOLUTION Adopting Revised Public Contract Review Board Rules

***COMMISSIONER CRUZ MOVED AND COMMISSIONER NAITO SECONDED, APPROVAL OF R-6. FRANNA HATHAWAY EXPLANATION. IN RESPONSE TO A QUESTION OF COMMISSIONER CRUZ, MS. HATHAWAY ADVISED THE REVISION PROVIDES HOUSEKEEPING CLARIFICATIONS AND CONTAINS NO SUBSTANTIVE CHANGES. RESOLUTION 06-157 UNANIMOUSLY ADOPTED.***

**DEPARTMENT OF HEALTH**

R-7 NOTICE OF INTENT to Apply for Grant Funding from the Community Health Partnership to Provide Funding to Pay for Special Needs of Clients

***COMMISSIONER CRUZ MOVED AND COMMISSIONER ROBERTS SECONDED, APPROVAL OF R-7. JODI DAVICH EXPLANATION. NOTICE OF INTENT UNANIMOUSLY APPROVED.***

*There being no further business, the meeting was adjourned at 10:34 a.m.*

Thursday, September 14, 2006 - 9:00 AM  
Multnomah Building, First Floor Commissioners Conference Room 112  
501 SE Hawthorne Boulevard, Portland

## **EXECUTIVE SESSION**

*The meeting was convened at 9:00 a.m. and recessed until after the regular Board meeting. Chair Diane Linn reconvened the meeting at 10:36 a.m., with Vice-Chair Lonnie Roberts and Commissioners Lisa Naito, Serena Cruz Walsh and Maria Rojo de Steffey present.*

E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(e) and/or (h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by Agnes Sowle. 15-30 MINUTES REQUESTED.

### ***EXECUTIVE SESSION HELD.***

*There being no further business, the meeting was adjourned at 11:06 a.m.*

BOARD CLERK FOR MULTNOMAH COUNTY, OREGON

***Deborah L. Bogstad***

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Thursday, September 14, 2006 - 3:00 PM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **TAX SUPERVISING AND CONSERVATION** **COMMISSION PUBLIC HEARING**

PH-1 The Tax Supervising and Conservation Commission will conduct a Public Hearing on the on the proposed Five-Year Rate Based Local Option Levy to Continue Library Services for Multnomah County, Oregon. The purpose of this hearing is to receive public input and discuss the proposed measure with interested persons.



Multnomah County Oregon

# Board of Commissioners & Agenda

connecting citizens with information and services

## BOARD OF COMMISSIONERS

### Diane Linn, Chair

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-3308 FAX (503) 988-3093

Email: [mult.chair@co.multnomah.or.us](mailto:mult.chair@co.multnomah.or.us)

### Maria Rojo de Steffey, Commission Dist. 1

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5220 FAX (503) 988-5440

Email: [district1@co.multnomah.or.us](mailto:district1@co.multnomah.or.us)

### Serena Cruz Walsh, Commission Dist. 2

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5219 FAX (503) 988-5440

Email: [serena@co.multnomah.or.us](mailto:serena@co.multnomah.or.us)

### Lisa Naito, Commission Dist. 3

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5217 FAX (503) 988-5262

Email: [district3@co.multnomah.or.us](mailto:district3@co.multnomah.or.us)

### Lonnie Roberts, Commission Dist. 4

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5213 FAX (503) 988-5262

Email: [lonnie.j.roberts@co.multnomah.or.us](mailto:lonnie.j.roberts@co.multnomah.or.us)

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## SEPTEMBER 14, 2006 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. if needed Executive Session
Pg 2	9:30 a.m. Public Comment Opportunity
Pg 2	9:30 a.m. Resolution Accepting 2006 Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments
Pg 3	10:15 a.m. First Reading of an Ordinance Amending Code Relating to Unlawfully Divided Lots and Parcels and Verification of Lots of Record
Pg 3	10:20 a.m. Resolution Vacating a Portion of Perry-Emerson Road
Pg 3	10:25 a.m. Resolution Adopting Revised Public Contract Review Board Rules
Pg 3	3:00 p.m. Tax Supervising and Conservation Commission Public Hearing

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- Thursday, 9:30 AM, (LIVE) Channel 30
- Friday, 11:00 PM, Channel 30
- Saturday, 10:00 AM, Channel 30
- Sunday, 11:00 AM, Channel 30

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Thursday, September 14, 2006 - 9:00 AM  
Multnomah Building, First Floor Commissioners Conference Room 112  
501 SE Hawthorne Boulevard, Portland

## **IF NEEDED EXECUTIVE SESSION**

- E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(e) and/or (h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by Agnes Sowle. 15-30 MINUTES REQUESTED.
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Thursday, September 14, 2006 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING**

### **REGULAR AGENDA - 9:30 AM** **PUBLIC COMMENT - 9:30 AM**

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

### **AUDITOR'S OFFICE 9:30 AM**

- R-1 **9:30 AM TIME CERTAIN:** Presentation and RESOLUTION Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments. Presented by Auditor Suzanne Flynn, Salary Commission Chair Mary Ann Wersch and Invited Others. 30 MINUTES REQUESTED.

### **NON-DEPARTMENTAL - 10:00 AM**

- R-2 Budget Modification NOND-03 Appropriating \$108,988 of County General Fund Contingency to Fund Salary Adjustments for the Multnomah County Chair, County Commissioners and District Attorney

R-3 RESOLUTION Approving the Lease and Subleases Termination Agreement with the Children's Land Trust, Morrison Child and Family Services, and the Multnomah Education Service District at the Regional Children's Campus Property at Edgefield and Authorizing County Chair to Execute Appropriate Documents to Complete the Agreement

**DEPARTMENT OF COMMUNITY SERVICES - 10:15 AM**

R-4 First Reading of an ORDINANCE Amending MCC Chapters 33, 34, 35, 36 and 37 to Allow for the Review and Approval of Certain Past "Unlawfully Divided" Lots and Parcels and to Allow for the Issuance of Certain Building Permits to be Considered Verification of Compliance with Zoning and Land Division Laws in the Determination of "Lots of Record"

R-5 RESOLUTION Vacating a Portion of Perry-Emerson Road, a Public Road, Located in Unincorporated East Multnomah County, Pursuant to ORS 368.326 to 368.366

**DEPARTMENT OF COUNTY MANAGEMENT - 10:25 AM**

R-6 RESOLUTION Adopting Revised Public Contract Review Board Rules

**DEPARTMENT OF HEALTH - 10:30 AM**

R-7 NOTICE OF INTENT to Apply for Grant Funding from the Community Health Partnership to Provide Funding to Pay for Special Needs of Clients

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Thursday, September 14, 2006 - 3:00 PM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

**TAX SUPERVISING AND CONSERVATION**  
**COMMISSION PUBLIC HEARING**

PH-1 The Tax Supervising and Conservation Commission will conduct a Public Hearing on the on the proposed Five-Year Rate Based Local Option Levy to Continue Library Services for Multnomah County, Oregon. The purpose of this hearing is to receive public input and discuss the proposed measure with interested persons.



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

**Board Clerk Use Only**

**Meeting Date:** 09/14/06  
**Agenda Item #:** E-1  
**Est. Start Time:** 9:00 AM  
**Date Submitted:** 08/31/06

**BUDGET MODIFICATION:** -

**Agenda Title:** Executive Session Pursuant to ORS 192.660(2)(e) and/or (h)

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date Requested:</b>	<u>September 14, 2006</u>	<b>Time Requested:</b>	<u>15 -30 mins</u>
<b>Department:</b>	<u>Non-Departmental</u>	<b>Division:</b>	<u>County Attorney's Office</u>
<b>Contact(s):</b>	<u>Agnes Sowle</u>		
<b>Phone:</b>	<u>503 988-3138</u>	<b>Ext.</b>	<u>83138</u>
<b>I/O Address:</b>	<u>503/500</u>		
<b>Presenter(s):</b>	<u>Agnes Sowle and Invited Others</u>		

**General Information**

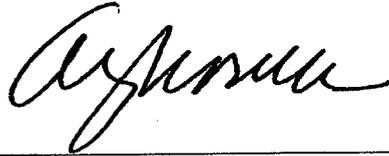
1. **What action are you requesting from the Board?**  
 No Final Decision will be made in the Executive Session.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**  
 Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session.
3. **Explain the fiscal impact (current year and ongoing).**
4. **Explain any legal and/or policy issues involved.**  
 ORS 192.660(2)(e) and/or (h)
5. **Explain any citizen and/or other government participation that has or will take place.**

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**Required Signatures**

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**Department/  
Agency Director:**



**Date:** 08/31/06

**Budget Analyst:**

**Date:** \_\_\_\_\_

**Department HR:**

**Date:** \_\_\_\_\_

**Countywide HR:**

**Date:** \_\_\_\_\_



**MULTNOMAH COUNTY  
AGENDA PLACEMENT REQUEST**

**Board Clerk Use Only**

Meeting Date: 09/14/06  
 Agenda Item #: R-1  
 Est. Start Time: 9:30 AM  
 Date Submitted: 08/31/06

**BUDGET MODIFICATION:** -

**Agenda Title: Presentation and RESOLUTION Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

**Date Requested:** September 14,2006      **Time Requested:** 30 minutes  
**Department:** Non-Departmental      **Division:** Auditor - Suzanne Flynn  
**Contact(s):** Judy Rosenberger  
**Phone:** 503 988-3320      **Ext.** 83320      **I/O Address:** 503/601  
**Presenter(s):** Auditor Suzanne Flynn, Salary Commission Chair Mary Ann Wersch and Invited Others

**General Information**

**1. What action are you requesting from the Board?**

Presentation and RESOLUTION Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments

**2. Please provide sufficient background information for the Board and the public to understand this issue.**

As required by the County Charter, the Auditor appointed five persons with compensation experience to the 2006 Salary Commission. The Salary Commission completed a report that outlines the basis for their conclusions and sets the salaries of the Multnomah County Commissioners and the Chair of the Board of County Commissioners for the next two years. They also reviewed the salary level of the Multnomah County District Attorney as requested by Board resolution and made a recommendation for the salary for fiscal years 06-07 and 07-08. The Salary Commission will present both reports to the Board and answer any questions.

3. Explain the fiscal impact (current year and ongoing).
4. Explain any legal and/or policy issues involved.
5. Explain any citizen and/or other government participation that has or will take place.

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**Required Signatures**

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**Department/  
Agency Director:**

**Date:** 08/31/05



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**Budget Analyst:**

**Date:**

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**Department HR:**

**Date:**

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**Countywide HR:**

**Date:**

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## **Salary Commission**

501 SE Hawthorne, Room 601  
Portland, Oregon 97204  
Telephone (503) 988-3320

Date: August 9, 2006

To: Multnomah County Board of County Commissioners

From: 2006 Salary Commission  
Rick Howell, Senior Director, Organizational Development,  
Knowledge Learning Corporation  
Laura Olson, Corporate Director of Human Resources, Schnitzer Steel  
David Rhys, Classification/Compensation Manager, City of Portland

Chair: Mary Ann Wersch, Director of Human Resources, Reed College  
Eric Wilson, President, HR Integrated Solutions

Re: 2006 Multnomah County Salary Commission Report

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2, 2004, the 2006 Multnomah County Salary Commission (Commission) was appointed by the County Auditor and convened to set the salaries for the Board of County Commissions (BOCC), specifically the positions of Multnomah County Commissioner (Commissioner) and Chair of the Board of County Commissioners (Chair).

Enclosed is our report which sets the salaries for the BOCC and documents the basis for our decisions. We will be happy to answer questions or provide additional information upon request.

## **Executive Summary**

1. In 2002, the BOCC approved Resolution No. 02-143 indexing the Commissioners' salaries to 75% of a circuit court judge's salary. This was reinforced by the 2004 Salary Commission; however, no board action was taken. The judge's salary is currently \$95,800; Commissioners' salaries should be \$71,850. The FY 2005/06 salary for three Commissioners is \$71,850; one Commissioner's salary is \$71,000.
2. In 2002, the BOCC approved Resolution No. 02-143 indexing the Chair's salary to 125% of a circuit court judge's salary, phased in over a 5 year period. This was reinforced by the 2004 Salary Commission; however, no board action was taken. In 2005/06 the Chair's salary was to be 120% of the circuit court judge's salary. The judge's salary is currently \$95,800; the Chair's salary should be \$114,960. The FY 2005/06 salary for the Chair remains \$90,789 which is 94.8% of a circuit court judge's salary.
3. In November 2004, the voters approved a ballot measure modifying the language of the County Charter, Section 4.3 specifying that future Salary Commissions set, rather than recommend, the salaries of the BOCC.
4. Because the BOCC is no longer in a position of determining their own pay, benchmarking to a judge's salary, a salary over which the BOCC has no control, is no longer relevant. Instead the Commission has assessed both the external market and internal equity in order to set the salaries.
5. The 2006 Commission is setting the 2006/07 salary for the Commissioners at \$80,000 and the 2007/08 salary at \$82,000. The 2006 Commission is setting the 2006/07 salary for the Chair at \$123,048 and the 2007/08 salary at \$126,124.

Respectfully submitted this 9th day of August, 2006.

**By the Multnomah County Salary Commission:**

Rick Howell, Laura Olson, David Rhys, Mary Ann Wersch, and Eric Wilson

## **SALARY COMMISSION BACKGROUND**

In November 1984 the Home Rule Charter was amended as follows:

"The auditor shall appoint a five-member salary commission, composed of qualified people with personnel experience by January 1, 1986, and by January 1 in each even year thereafter....(to make) salary adjustment recommendations, if any..."

The first Commission was appointed in 1986 and a new Commission has been appointed in each even year up to the current 2006 Commission.

In 1990, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that allowed the BOCC to approve their own salary increases rather than salary increase recommendations being referred to the voters. The measure also specified they were not allowed to set salaries higher than the recommendation from the Commission.

In 1991 a County Counsel's opinion stated that the Commission may also make recommendations regarding the salaries of the Sheriff and District Attorney, if requested. To date, the Commission has not been asked to make a recommendation for the Sheriff, but has now been asked to review the salary of the District Attorney.

In 2004, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that modified the language of the County Charter, Section 4.30 to read as follows:

"The auditor shall appoint a five-member salary commission, composed of qualified human resource professionals with compensation experience, by January 1 of each even year. The salary commission shall *set the salaries* for the chair of the board of county commissioners and the county commissioners, documenting the basis of its decisions."

## **SALARY HISTORY**

From FY 1983-84 through FY 1990-91, the Chair and Commissioners did not receive an increase in salary. From FY 1991-92 through FY 1995-96, cost of living increases were added to Chair and Commissioners' salaries, but their salaries remained far below comparable jurisdictions and the relative worth of the jobs.

In 1996 the BOCC approved the Commission recommendation that a Commissioner's salary be indexed to 75% of a judge's salary and that the Chair's salary be indexed to the mid-point of the salary range for the Chair's direct reports, Multnomah County department directors.

The 1998 Commission reaffirmed this methodology for indexing of salaries and further recommended that an appropriate ratio between the Commissioners' salaries and the

Chair's salary be no more than 80%. Should the ratio be more than 80%, the Commissioners' salaries would be reduced to the 80% ratio. The 1998 BOCC did not act on the recommendation, but did in fact increase the Chair's and the Commissioners' salaries in accordance with the phased-in approach approved by the 1996 BOCC.

In 2000, the BOCC approved the Commission recommendation that the Commissioners' salary remain \$63,975 or 75% of a circuit court judge's salary, whichever was greater, effective July 1, 2000 and again on July 1, 2001. The BOCC further approved the recommendation that the Chair's salary be increased to the midpoint of the department directors' salary range effective July 1, 2000 and in 2001 remain at this level or increase to the mid-point of the department directors' salary range, whichever was greater.

In 2002 the BOCC approved the Commission's recommendation for no change to the methodology for Commissioners' salaries and to continue their salaries at \$67,800. In regard to the Chair's salary, the Commission determined that County department directors' salaries were below market according to the County HR staff. Indexing to the department directors would not be appropriate. Consequently, the BOCC approved the Commission's recommendation of indexing the Chair's salary to 125% of a judge's salary and suggested the Board may want to consider a phased in approach. Although this was approved, the Chair's salary did not increase but instead remained at \$90,789.

The 2004 Commission recommended no change in methodology, maintaining the same salary for Commissioners' and increasing the Chair's salary in accordance with the previously approved phased-in approach. No action was taken by the BOCC and the Chair's salary again did not increase.

Current salaries are as follows: three Commissioners are paid \$71,850, one Commissioner is paid \$71,000, and the Chair is paid \$90,789.

## **METHODOLOGY AND FINDINGS**

For a number of years, Commissions have recommended that the BOCC positions be benchmarked to a judge's salary. Since the judge's salary is determined by the state legislature, the BOCC had no influence over their own salary increases. However, judge's salaries are not regularly adjusted and have not increased since 2002/03. Consequently, salaries for BOCC positions have once again lost ground. This fact along with the passage of the recent Charter amendment specifying that the Commission will *set* the salaries of the BOCC makes this benchmarking methodology far less relevant or necessary.

Compensation theory suggests that evaluating both external market data and internal equity is the most widely accepted methodology for setting salary rates. This is the revised approach taken by this Commission.

The Commission collected and reviewed data from a number of sources. The data is summarized below.

**1. Survey information for Commissioner from the County HR Office:**

The County Human Resource Office identified several comparable counties for purposes of comparing Commissioner salaries, as follows:

**Exhibit A: Comparison of Commissioner salaries in comparable counties:**

County	2006 Commissioner Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Clackamas, OR	\$70,094	100%	\$70,094
Lane, OR	\$72,842	96.1%	\$75,776
Marion, OR	\$67,704	94.9%	\$71,330
Snohomish, WA	\$90,504	111.5%	\$81,143
Thurston, WA	\$93,216	93.8%	\$99,377
Hennepin, MN	\$86,808	103.5%	\$83,872
<b>Mean</b>	<b>\$80,195</b>		<b>\$80,265</b>
Multnomah	(approved salary)		\$71,850
			Differential = 12%

**2. Survey information for Commissioner from other counties:**

Several other counties nationally have populations, budgets and Commissioner positions that are similar to Multnomah County. Although not listed by the HR Office these potential comparators were reviewed as well.

**Exhibit B: Comparison of Commissioner salaries in other counties:**

County	2006 Commissioner Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Pierce, WA	\$79,076	96.7%	\$81,788
Denver, CO	\$73,512	101%	\$72,817
Jefferson, AL	\$66,000	85%	77,605
Hamilton, OH	\$83,059	88.6%	\$93,762
<b>Mean</b>	<b>\$75,412</b>		<b>\$81,493</b>
Multnomah	(approved salary)		\$71,850
			Differential = 13%

**3. Survey information for Chair from the County HR Office:**

Only two of the counties identified by the County HR office have comparable Chair positions, as follows:

**Exhibit C: Comparison of Chair salaries for comparable counties:**

County	2006 Chairperson Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Pierce, WA	\$131,794	96.7%	\$136,291
Snohomish, WA	\$124,228	111.5%	\$111,415
<b>Mean</b>	<b>\$128,011</b>		<b>\$123,853</b>
Multnomah County (approved salary)			\$114,960
			Differential = 8%

**4. Survey information for Chair from other counties:**

Several other counties nationally have populations, budgets and a Chair position that are similar to Multnomah County. Although not listed by the HR Office these potential comparators were reviewed as well.

**Exhibit D: Comparison of Chair salaries for other counties:**

County	2006 Chairperson Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Towson, MD	\$125,000	100.3%	\$124,626
Jackson, MO	\$88,982	86.3%	\$103,108
DeKalb, GA	\$210,080	91.9%	\$228,596
<b>Mean</b>	<b>\$141,354</b>		<b>\$152,110</b>
Multnomah County (approved salary)			\$114,960
			Differential = 32%

**5. State legislators, regional councils, and local boards:**

A review of these jurisdictions showed limited comparability. Metro is a governmental agency in the Portland area with elected officials whose salaries should be noted. However, Metro is much smaller than Multnomah County, both in terms of staff and budget. The current data from Metro is detailed in Exhibit E below.

**Exhibit E: Comparison with Metro salaries**

Metro Position	Salary
Executive (salary of a judge)	\$95,800
Councilor (one-third of a judge salary)	\$31,933

**6. City of Portland:**

Although past Commissions have not used data from the City of Portland, the County's human resources office does use city data for comparison with both elected official salaries and management salaries. However, it should be noted that City

Commissioners have operational responsibility for a city bureau, thus not a good job match. Additionally, both the staff and budget for the City are considerably larger than Multnomah County. Approved salaries for the City of Portland Mayor and Commissioners as of July 1, 2006 are detailed in Exhibit F below.

**Exhibit F: Comparison with City of Portland approved salaries**

City of Portland Position	Salary
Mayor	\$110,822
Commissioner	\$93,350

**7. Comparability between the Chair and County department directors:**

The Chair has County-wide operational and fiscal responsibilities, which the Commissioners do not, and seven (7) department directors in two pay levels report directly to the Chair. Currently, all of the direct report department directors have salaries above the midpoint of the range.

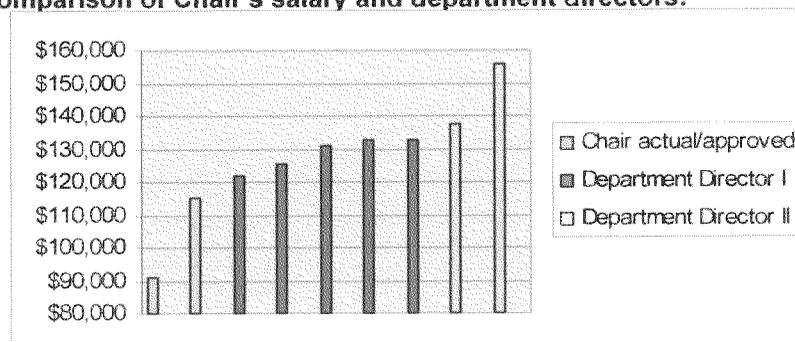
**Exhibit G: Department directors' salaries:**

Department	Classification	2006/07 salary	Pay Scale Range
County Management	Department Director I	\$121,733*	\$88,285-\$136,427
Human Services	Department Director I	\$125,385*	\$88,285-\$136,427
Community Services	Department Director I	\$130,690	\$88,285-\$136,427
Community Justice	Department Director I	\$132,711	\$88,285-\$136,427
Community Schools	Department Director I	\$132,711	\$88,285-\$136,427
Health Services	Department Director II	\$137,497	\$102,242-\$157,810
Library	Department Director II	\$155,497	\$102,242-\$157,810

*\*Interim Appointment*

Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. However, the Chair's actual salary compared with her direct reports shows the Chair paid less than each of her direct reports and less than the midpoint of either salary range. If the Chair's salary were the approved salary, it is still less than the salary of each direct report. Exhibit H shows the comparison of the Chair's actual salary and approved salary with the 2006/07 salaries of the County department directors.

**Exhibit H: Comparison of Chair's salary and department directors:**



**8. Salary setting of other County elected officials:**

The Multnomah County Home Rule Charter specifies that the County Sheriff's salary shall be fixed by the BOCC in an amount not less than any member of the Sheriff's office. Additionally, the Commission is recommending that the District Attorney's salary be increased to no less than the salary of his direct reports. Similarly, the Chair's salary should not be less than her direct reports.

**9. Tenure in the job:**

Generally speaking, salary will increase based in part on tenure in the position. These are elected positions and presumably, a newly elected BOCC member would receive the salary of the outgoing BOCC member. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

**10. Assumption of full-time:**

Although there is no mandated requirement that the BOCC be full-time positions, this Commission is making the assumption that they are and all salaries shown are full-time equivalent salaries.

**11. Benefits considerations:**

According to the County HR staff, elected officials receive the same benefits as any other County employee with the exception of disability. However, total compensation information (the relative worth of the combination of salary and benefits) is not currently available for other counties and jurisdictions surveyed. That level of survey can be time-consuming and expensive, but perhaps should be considered by future Commissions.

**12. CPI considerations:**

CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining appropriate salary ranges for department directors.

**13. Pay for performance:**

BOCC salaries relate to the office and not to persons; in other words, the salaries are based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position.

**14. Compensation philosophy:**

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to attract, retain and motivate employees. However, this Commission believes that these factors are not the primary reason a person decides to run for elected office. Further, people who run for these elected positions are not recruited outside the metropolitan area, so salary comparability as a recruitment tool is simply not a factor. Even so, elected officials should be paid an equitable and fair wage for the work they do. Although it cannot be

proven, this Commission also believes that an equitable and fair salary will reduce one impediment for high quality individuals to run for elected office.

## **RECOMMENDATIONS AND REASONS**

Commissioners' salaries are below market. The most significant and heavily weighted data is external market data from the comparable counties. The 2006 mean adjusted salary is \$80,265. Multnomah County Commissioners have an approved pay rate of \$71,850 which falls short of the mean by 12%. Commissioner salaries fall short of the mean of other counties by 13%. City Commissioners, who supervise bureaus and thus have greater responsibility, are paid \$93,350 which is a differential of 30%.

Increasing Commissioners' salaries to \$80,000 for 2006/07 creates comparability with other like counties while at the same time creating a reasonable differential with City Commissioner salaries of 17%. Commissioners' salaries for 2007/08 should increase by 2.5% which is the average CPI increase in Portland for the past 10 years.

The Chair's salary is out of alignment with other County positions that report to the Chair. In this case, the most significant and heavily weighted data is internal equity. Greater weight is being given to internal equity considerations than to the external market for a couple of reasons:

- a. internal equity (data regarding department directors) is a professionally acceptable method for assigning a salary;
- b. external market data has not provided acceptable job matches in very many other jurisdictions.

The Chair's approved salary for 2005/06 is \$114,960 and the previously approved salary for 2006/07 is \$119,750. Her actual salary is \$90,789. The approved salary is less than the salaries of each of her direct reports. The spread of the combined ranges for Department Director I and II is \$88,285-\$157,810. The midpoint of that combined range is \$123,048.

Increasing the salary to the midpoint of the combined range, that is \$123,048, still does not create a desirable spread between the Chair and her subordinates but does lessen the gap. The Chair's salary for 2007/08 should increase by 2.5% which is the average CPI increase in Portland for the past 10 years.

## **2006/2007 AND 2007/2008 SALARIES**

The 2006 Salary Commission sets the 2006/07 salary for Commissioner at \$80,000 and the 2007/08 salary at \$82,000.

The 2006 Salary Commission sets the 2006/07 salary for Chair at \$123,048 and the 2007/08 salary at \$126,124.

## **LAST BUT CERTAINLY NOT LEAST**

The Commission wishes to thank Carol Brown and Dave Bower of the County Human Resources Office for collecting and sharing valuable information regarding management salaries and comparable jurisdictions.

The Commission wishes to thank Agnes Sowle, County Counsel, for discussing with us legal issues related to the County Charter.

The Commission also wishes to extend its heartfelt gratitude to the Multnomah County Auditor Suzanne Flynn and her assistant Judy Rosenberger for the research and support provided to the Commission, for willingly (or at least appearing to...) attending all early morning meetings with a much appreciated continental breakfast, for the collection and distribution of minutes, and for their warm, caring and friendly ways. We could not, and would not want to, do our work without them. Thank you!



## **Salary Commission**

501 SE Hawthorne, Room 601  
Portland, Oregon 97204  
Telephone (503) 988-3320

Date: August 9, 2006

To: Multnomah County Board of County Commissioners

From: 2006 Salary Commission  
Rick Howell, Senior Director, Organizational Development,  
Knowledge Learning Corporation  
Laura Olson, Corporate Director of Human Resources, Schnitzer Steel  
David Rhys, Classification/Compensation Manager, City of Portland

Chair: Mary Ann Wersch, Director of Human Resources, Reed College  
Eric Wilson, President, HR Integrated Solutions

Re: Report and Recommendation regarding the District Attorney's Salary

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2004, the 2006 Multnomah County Salary Commission (Commission) was appointed by the County Auditor to set salaries for the Board of County Commissioners (BOCC). Additionally, the Commission was given the authority, under the BOCC Resolution No. 05-169 dated October, 2005, to recommend salary adjustments to the District Attorney's salary in future years.

Enclosed is our report and recommendation for the salary for the District Attorney for fiscal years 2006/07 and 2007/08. We will be happy to answer questions or provide additional information upon request.

## **Executive Summary**

The Commission considered three factors in recommending a salary adjustment for the District Attorney:

1. salaries of district attorneys in Oregon and Washington;
2. salaries of Multnomah County department directors; and
3. salaries of direct reports to the Multnomah County District Attorney.

The Commission gave more weight to internal equity (salaries of department directors and the District Attorney's subordinates) than to external market considerations (salaries of other OR and WA District Attorneys).

The Commission recommends that the salary of the District Attorney be increased to \$139,500 for 2006/07.

The Commission recommends that the salary of the District Attorney be increased to \$144,000 annually for 2007/08.

Respectfully submitted this 9th day of August, 2006.

**By the Multnomah County Salary Commission:**

Rick Howell, Laura Olson, David Rhys, Mary Ann Wersch, and Eric Wilson

## **SALARY COMMISSION BACKGROUND**

In November 1984 the Home Rule Charter was amended to establish a five-member salary commission. The first Commission was appointed in 1986 and a new Commission has been appointed in each even year up to the current 2006 Commission.

In November 2004 the Home Rule Charter was amended as follows:

“The auditor shall appoint a five-member salary commission, composed of qualified human resource professionals with compensation experience, by January 1 of each even year. The salary commission shall set the salaries for the chair of the board of county commissioners and the county commissioners, documenting the basis of its decisions....”

In October, 2005 the Commission was given the authority, under BOCC Resolution No. 05-169, to recommend salary adjustments to the District Attorney’s salary in future years.

## **SALARY HISTORY**

Oregon district attorneys receive a salary from the State of Oregon. The majority of district attorneys in the State, including Multnomah County, also receive a supplemental salary from the County jurisdiction.

For ten years, 1994-2004, the Multnomah County District Attorney did not receive a cost of living increase from either the State or County.

The State currently contributes \$90,672 annually to the District Attorney’s salary. In 2005, the County supplement was increased to \$35,000, thus increasing the combined annual salary to \$125,672.

Included in BOCC Resolution 95-169 is a provision that the District Attorney receive annual cost of livings increases, based on the total salary, granted to other management staff in the County. The cost of living increase for 2006/07 is 2.8%, thus increasing the District Attorney’s current salary to \$129,191. Of this \$129,191 the State contribution remains the same at \$90,672 but the County’s contribution increases to \$38,519.

## **METHODOLOGY AND FINDINGS**

The Commission collected and reviewed current data from a number of sources. The data is summarized below.

### **1. District Attorney’s salaries in counties in Oregon and Washington:**

The larger counties in Oregon and Washington, as follows, were considered for external market data comparisons.

Oregon: Clackamas, Lane, Marion, and Washington

Washington: Clark, King, Pierce, Snohomish, and Thurston

The Multnomah County District Attorney's Office was contacted by the Commission to determine if there are differences in district attorney duties in OR and WA counties that would be important for the Commission to know. The office did cite differences in responsibilities with other Oregon counties in that other counties are responsible only for prosecuting the crimes that have occurred within their county's jurisdictional boundaries. It is their opinion this is also true of the counties in Washington State. The Multnomah County District Attorney is responsible for prosecuting all levels of crimes that his office receives from seven (7) individual jurisdictions. Thus the span of prosecutorial responsibility is much broader for the Multnomah County District Attorney in comparison to other counties in Oregon and Washington.

**Exhibit A: District Attorney Salaries adjusted for Geographical Differences  
June, 2006**

County	Major City	Actual Salary	Geographic adjustment	Equivalent Portland Salary
Clackamas, OR	Oregon City	\$108,172	100%	\$108,172
Lane County, OR	Eugene	\$110,412	96.1%	\$114,860
Marion County, OR	Salem	\$111,659	94.9%	\$117,638
Washington County, OR	Beaverton	\$116,076	100%	\$116,076
Clark County, WA	Vancouver	\$124,412	106.5%	\$116,818
King County, WA	Seattle	\$146,756	107.8%	\$136,185
Pierce County, WA	Tacoma	\$124,411	96.7%	\$128,677
Snohomish County, WA	Everett	\$124,411	111.5%	\$111,542
Thurston County, WA	Olympia	\$119,424	93.8%	\$127,367
Average:		\$120,637	Average:	\$119,704
Multnomah County (June)		\$125,672		\$125,672
Differentials:		4%		5%

Source: Oregon District Attorneys Association 2005 Salary Survey and Auditor's Office salary survey conducted December, 2005.

**2. Comparability between the District Attorney and Multnomah County department directors:**

There are seven (7) department directors in the County in two pay scales. In 2005 the Multnomah County Human Resources Office concluded that the position of District Attorney is comparable in classification to Department Director II.

**Exhibit B: Department Directors' Salaries:**

Department	Classification	2006/07 salary	Pay Scale Range
County Management	Department Director I	\$121,733*	\$88,285-\$136,427
Human Services	Department Director I	\$125,385*	\$88,285-\$136,427
Community Services	Department Director I	\$130,690	\$88,285-\$136,427
Community Justice	Department Director I	\$132,711	\$88,285-\$136,427
Community Schools	Department Director I	\$132,711	\$88,285-\$136,427
Health Services	Department Director II	\$137,497	\$102,242-\$157,810
Library	Department Director II	\$155,497	\$102,242-\$157,810

*\*Interim Appointment*

The midpoint of the Department Director II salary range is \$130,026 and both positions are paid above the midpoint. In fact all department director positions are paid above the midpoint. In order to maintain internal equity, the District Attorney should also be paid above the midpoint.

**3. Comparability between the District Attorney and his direct reports:**

The second highest level position in the office is the Chief Deputy District Attorney. There are currently two incumbents in this class and the 2006/07 salary for each position is \$132,257. This places the subordinates' salary above the supervisor's salary.

Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. This is somewhat reinforced in the Multnomah County Home Rule Charter which specifies that the County Sheriff's salary shall be fixed by the BOCC in an amount that is not less than any member of the Sheriff's office.

**4. Tenure in the job:**

Generally speaking, salary will increase based in part on tenure in the position. This is an elected position and presumably, should a new District Attorney be elected, he/she would receive the salary of the outgoing District Attorney. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

**5. Benefits considerations:**

Of the data available to this Commission, there are differences in benefits packages provided to Oregon district attorneys. However, total compensation information (the relative worth of the combination of salary and benefits) is not readily available for the Oregon and Washington counties surveyed. That level of survey can be time-consuming and expensive, but perhaps should be considered by future Commissions.

**6. Internal equity versus external market considerations:**

Greater weight is being given to internal equity considerations than to the external market for a couple of reasons:

- a. internal equity (data regarding department directors and subordinates) is a professionally acceptable method for assigning a salary;
- b. external market data (data regarding Oregon and Washington county district attorney salaries) is not directly comparable to Multnomah County.

**7. CPI considerations:**

CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining an appropriate salary range for department directors.

**8. Compensation philosophy:**

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to attract, retain and motivate employees. However, this Commission believes that these factors are not the primary reason a person decides to run for elected office. Further, people who run for these elected positions are not recruited outside the metropolitan area, so salary comparability as a recruitment tool is simply not a factor. Even so, elected officials should be paid an equitable and fair wage for the work they do. Although it cannot be proven, this Commission also believes that an equitable and fair salary will reduce one impediment for high quality individuals to run for elected office.

**RECOMMENDATIONS AND REASONS**

The salaries of district attorneys in Oregon and Washington jurisdictions are closely aligned to this position when in fact, this position has greater responsibility than most, if not all, of the counties listed. Accordingly it should be paid more. A salary of \$144,000 would create a differential between the Multnomah County District Attorney and the average, geographically adjusted, of the Oregon and Washington Counties of 20%. That differential is inflated due to the fact the market data is 2005 data and the new salary is for 2006/07. Aging the market data by 3% creates a 17% differential which seems appropriate given the differences in responsibility and authority.

The Multnomah County Department Director I level positions (regular not interim positions) are paid slightly more than the Multnomah County District Attorney even though the District Attorney position is equivalent to Department Director II. Both Department Director II positions are paid more than the District Attorney. All department directors are paid above the midpoint of the range. It is our understanding from County HR staff that most department directors are hired at the midpoint of the salary range or above. Therefore, it seems appropriate that the District Attorney be placed at the 75<sup>th</sup> percentile of the Department Director II range which is approximately \$144,000.

The two Chief Deputies to the District Attorney are paid a salary slightly more than the District Attorney's salary. Increasing the salary to \$144,000 creates a differential

between the District Attorney and his direct reports of 9%, still on the low side but acceptable.

In comparison with the elected Chair of the BOCC, the recommended salary for the District Attorney is greater than the Chair's salary which is being set by this Commission at \$123,048. Both are elected officials of the County. However, the District Attorney is required to have professional credentials not required of other County elected positions and that justifies the higher salary.

Because the recommendation to increase the salary to \$144,000 is a fairly significant increase, we are proposing a phased-in approach similar to the approach approved by the BOCC regarding the Chair's salary several years ago. The salary in the first year should increase to the 67<sup>th</sup> percentile of the Department Director II range and in the second year reach the recommended rate of the 75<sup>th</sup> percentile of the range.

### **2006/2007 and 2007/2008 SALARY**

The Commission recommends that the salary of the District Attorney be increased to \$139,500 for 2006/07.

The Commission recommends that the salary of the District Attorney be increased to \$144,000 annually for 2007/08 or to the 75<sup>th</sup> percentile of the Department Director II salary range, whichever is greater.

Additionally the Commission recommends that the salary be considered the combined total salary including both the County's and State's contributions. Should the State increase or decrease its level of contribution, the County will then subsequently adjust its level of contribution to return it to the recommended total salary.

### **ENHANCING SERVICE TO THE PUBLIC**

The Commission recommends that the BOCC accept the recommendations in total for the following reasons:

1. the recommendations come from professionals in the field of compensation and are based on (to the best of our knowledge) accurate, relevant and appropriate data and methodologies;
2. the salary recommendations relate to the office and not to the person; in other words, the salary is based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position;
3. being paid for what the job is objectively worth is extremely vital to maintaining high quality leadership for the District Attorney and his/her successor; thus the public will be better served.

## **LAST BUT CERTAINLY NOT LEAST**

The Commission wishes to thank Carol Brown and Dave Bower of the County Human Resources Office for collecting and sharing valuable information regarding management salaries and comparable jurisdictions.

The Commission wishes to thank Agnes Sowle, County Counsel, for discussing with us legal issues related to the County Charter.

The Commission also wishes to extend its heartfelt gratitude to the Multnomah County Auditor Suzanne Flynn and her assistant Judy Rosenberger for the research, information and support provided to the Commission, for willingly (or at least appearing to...) attending all early morning meetings with a much appreciated continental breakfast, creating and distributing minutes, and for their warm, caring and friendly ways. We could not, and would not want to, do our work without them. Thank you!

Cc: Michael Schrunk, District Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. \_\_\_\_\_**

Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments

**The Multnomah County Board of Commissioners Finds:**

- a. Home Rule Charter Section 4.30 requires the Auditor to appoint, by January 1 of each even numbered year, a five-member Salary Commission to set the salaries for the Chair and the Board of County Commissioners.
- b. By Resolution 05-169, the Board directed the Auditor to include the District Attorney's salary in future Salary Commission studies and make salary adjustment recommendations.
- c. On August 9, 2006, the Salary Commission submitted reports to the Board setting salaries for the Chair and Commissioners and recommending adjustments to the District Attorney's salary.
- d. The 2006 Salary Commission assessed both the external market and internal equity and set Chair and Board salaries as follows:

	<b>Fiscal Year</b>	<b>Salary</b>
(i) Chair	2006-2007	\$123,048.
Chair	2007-2008	\$126,124
(ii) Commissioners	2006-2007	\$80,000
Commissioners	2007-2008	\$82,000

- e. In recommending salary adjustments for the District Attorney, the 2006 Salary Commission considered the salaries of:
  - 1. Oregon and Washington district attorneys;
  - 2. Multnomah County department directors; and

3. Staff directly reporting to the Multnomah County District Attorney.

The Commission gave more weight to internal equity (department director and DA subordinate salaries) than external market considerations (other WA and OR salaries).

- f. The Commission recommends the District Attorney salary be increased to \$139,500 for FY 2006-2007 and \$144,000 for FY 2007-2008.

**The Multnomah County Board of Commissioners Resolves:**

1. The Board accepts the 2006 Multnomah County Salary Commission Report setting the Chair and Commissioner salaries.
2. The Board accepts the Report of the 2006 Salary Commission regarding the District Attorney' salary and will consider its recommendations in making any salary adjustments.

ADOPTED this 14th day of September 2006.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

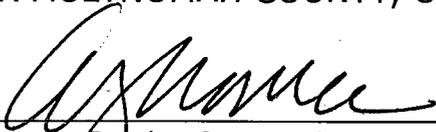
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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By



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Agnes Sowle, County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 06-154**

Accepting the 2006 Multnomah County Salary Commission Reports Setting Chair and Commissioner Salaries and Recommending District Attorney Salary Adjustments

**The Multnomah County Board of Commissioners Finds:**

- a. Home Rule Charter Section 4.30 requires the Auditor to appoint, by January 1 of each even numbered year, a five-member Salary Commission to set the salaries for the Chair and the Board of County Commissioners.
- b. By Resolution 05-169, the Board directed the Auditor to include the District Attorney's salary in future Salary Commission studies and make salary adjustment recommendations.
- c. On August 9, 2006, the Salary Commission submitted reports to the Board setting salaries for the Chair and Commissioners and recommending adjustments to the District Attorney's salary.
- d. The 2006 Salary Commission assessed both the external market and internal equity and set Chair and Board salaries as follows:

	<b>Fiscal Year</b>	<b>Salary</b>
(i) Chair	2006-2007	\$123,048.
Chair	2007-2008	\$126,124
(ii) Commissioners	2006-2007	\$80,000
Commissioners	2007-2008	\$82,000

- e. In recommending salary adjustments for the District Attorney, the 2006 Salary Commission considered the salaries of:
  - 1. Oregon and Washington district attorneys;
  - 2. Multnomah County department directors; and
  - 3. Staff directly reporting to the Multnomah County District Attorney.

The Commission gave more weight to internal equity (department director and DA subordinate salaries) than external market considerations (other WA and OR salaries).

- f. The Commission recommends the District Attorney salary be increased to \$139,500 for FY 2006-2007 and \$144,000 for FY 2007-2008.

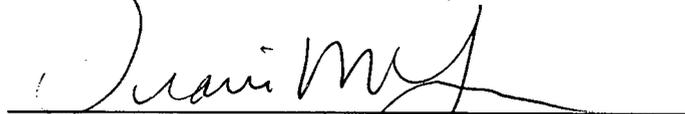
**The Multnomah County Board of Commissioners Resolves:**

1. The Board accepts the 2006 Multnomah County Salary Commission Report setting the Chair and Commissioner salaries.
2. The Board accepts the Report of the 2006 Salary Commission regarding the District Attorney' salary and will consider its recommendations in making any salary adjustments.

ADOPTED this 14th day of September 2006.

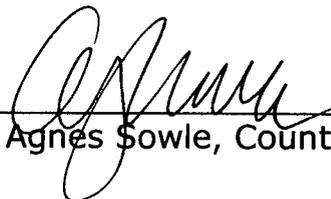


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By  \_\_\_\_\_  
Agnes Sowle, County Attorney



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R-2 DATE 9-14-06  
DEBORAH L. BOGSTAD, BOARD CLERK

**Board Clerk Use Only**

Meeting Date: 09/14/06  
Agenda Item #: R-2  
Est. Start Time: 10:00 AM  
Date Submitted: 09/06/06

**BUDGET MODIFICATION: NOND - 03**

**Agenda Title: Budget Modification NOND-03 Appropriating \$108,988 of County General Fund Contingency to Fund Salary Adjustments for the Multnomah County Chair, County Commissioners and District Attorney**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date Requested:</b> <u>September 14, 2006</u>	<b>Time Requested:</b> <u>10 Minutes</u>
<b>Department:</b> <u>Non Departmental</u>	<b>Division:</b> <u>Chair's Office</u>
<b>Contact(s):</b> <u>Agnes Sowle, County Attorney and Travis R. Graves, Human Resource Director</u>	
<b>Phone:</b> <u>503-988-6134</u> <b>Ext.</b> <u>86134</u> <b>I/O Address:</b> <u>503-4</u>	
<b>Presenter(s):</b> <u>Agnes Sowle, County Attorney and Travis R. Graves, Human Resource Director</u>	

**General Information**

**1. What action are you requesting from the Board?**

Approval of Budget Modification NonDepartmental-03 appropriating \$108,988 of County General Fund Contingency to Fund Salary Adjustments for the Multnomah County Chair, County Commissioners and District Attorney.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action effects and how it impacts the results.**

**Multnomah County Chair and County Commissioners**

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2, 2004, the 2006 Multnomah County Salary Commission was appointed by the County Auditor and convened to set the salaries for the Board of County Commissions, specifically the positions of Multnomah County Chair and Commissioners. For a number of years, Salary Commissions have recommended that the Chair and Board positions be benchmarked to a judge's salary. Since the judge's salary is determined by the state legislature, they had no influence over their own salary increases. However, judge's salaries are not regularly adjusted and have not increased since 2002/03. Consequently, salaries for Chair and Board have lost ground. This fact

along with the passage of the recent Charter amendment specifying that the Salary Commission will set the salaries of the County Chair and Commissioners makes this benchmarking methodology far less relevant or necessary. Compensation theory suggests that evaluating both external market data and internal equity is the most widely accepted methodology for setting salary rates. This is the revised approach taken by the Commission. For more detailed information please see the attached document, "2006 Multnomah County Salary Commission Report".

On August 9, 2006, the Salary Commission submitted its report to the Board setting the salaries as follows:

	<b>Current Salary</b>	<b>FY 2007 Recommended</b>	<b>FY 2008 Recommended</b>
Chair	\$90,789	\$123,048	\$126,124
Commissioners	\$71,850	\$80,000	\$82,000

In FY 2007, the cost to the General Fund will be:

	<b>Chair</b>	<b>Commissioners</b>
• Base Pay	\$32,260	\$32,600
• Salary Related	\$10,352	\$10,461
• Insurance	\$1,936	\$1,956
<b>Total</b>	<b>\$44,548</b>	<b>\$45,017</b>

This salary adjustment will increase personnel costs in Program Offers 10000, 10001, 10002, 10003 and 10004.

**District Attorney**

By Resolution 05-169, the Board directed the Auditor to include the District Attorney's salary in future Salary Commission studies. The 2006 Salary Commission considered the salaries of Oregon and Washington district attorneys, Multnomah County department directors, and staff directly reporting to the Multnomah County District Attorney. The Commission gave more weight to internal equity (department director and DA subordinate salaries) than external market considerations (other WA and OR salaries).

On August 9, 2006, the Salary Commission submitted its report to the Board recommending the following increase for the District Attorney's salary:

	<b>Current Salary*</b>	<b>FY 2007 Recommended</b>	<b>FY 2008 Recommended</b>
District Attorney	\$125,435	\$139,500	\$144,000

*\*Note: the General Fund pays for \$34,763 while the state covers the additional \$90,672*

In FY 2007, the cost to the General Fund will be:

• Base Pay	\$14,065
• Salary Related	\$4,513
• Insurance	\$844
<b>Total</b>	<b>\$19,422</b>

This salary adjustment will increase personnel costs in Program Offer 15000.

**3. Explain the fiscal impact (current year and ongoing).**

The General Fund Contingency is reduced by \$108,988 and the appropriation for NonD is increased by \$89,565 and the District Attorney's Office is increased by \$19,422. In the current year, this action would use roughly 9% of the non-allocated or "normal" General Fund Contingency. This action will increase personnel costs in the future.

**4. Explain any legal and/or policy issues involved.**

N/A

**5. Explain any citizen and/or other government participation that has or will take place.**

Home Rule Charter Section 4.30 requires the Auditor to appoint, by January 1 of each even numbered year, a five-member Salary Commission, composed of qualified human resource professionals with compensation experience, to set the salaries for the Chair and Board. All elected or appointed Multnomah County officials and employees are prohibited from serving on the salary commission.

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## ATTACHMENT A

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### Budget Modification

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If the request is a Budget Modification, please answer all of the following in detail:

- **What revenue is being changed and why?**  
The Risk Fund revenue is being increased by \$4,736
- **What budgets are increased/decreased?**  
The General Fund Contingency is reduced by \$108,988 while the NonD appropriation is increased by \$89,565 and the District Attorney's appropriation is increased by \$19,422.
- **What do the changes accomplish?**  
Implements the salary recommendations for the Chair, County Commissioners and District Attorney made by the 2006 Salary Commission.
- **Do any personnel actions result from this budget modification? Explain.**  
No
- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**  
N/A
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**  
N/A
- **If a grant, what period does the grant cover?**  
N/A
- **If a grant, when the grant expires, what are funding plans?**  
N/A

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### Contingency Request

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If the request is a Contingency Request, please answer all of the following in detail:

- **Why was the expenditure not included in the annual budget process?**  
The Salary Commission did not set the salaries until after the FY 2007 budget was adopted.
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**  
None
- **Why are no other department/agency fund sources available?**  
These are General Fund costs.
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account. What are the plans for future ongoing funding?**  
This expenditure produces no new revenue or cost savings that are not already planned.
- **Has this request been made before? When? What was the outcome?**  
No

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## ATTACHMENT B

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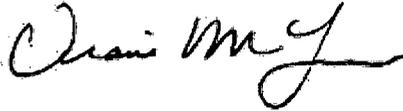
**BUDGET MODIFICATION: NOND - 03**

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### Required Signatures

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**Department/  
Agency Director:**



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**Date:** 09/05/06

**Budget Analyst:**



---

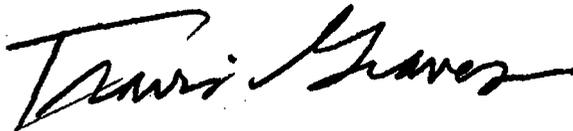
**Date:** 09/05/06

**Department HR:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**Countywide HR:**



---

**Date:** 09/05/06

Budget Modification ID: **NOND-03****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Budget/Fiscal Year: 2007

Line No.	Fund Center	Fund Code	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
				Internal Order	Cost Center	WBS Element						
1		1000	20		100000		60000	16,130	16,130		Increase Base Pay - Linn	
2		1000	20		100000		60130	5,176	5,176		Increase Fringe-Linn	
3		1000	20		100000		60140	968	968	<b>22,274</b>	Increase Insurance-Linn	
4												
5		1000	20		100100		60000	16,130	16,130		Increase Base Pay-Wheeler	
6		1000	20		100100		60130	5,176	5,176		Increase Fringe-Wheeler	
7		1000	20		100100		60140	968	968	<b>22,274</b>	Increase Insurance-Wheeler	
8												
9		1000	20		102100		60000	8,150	8,150		Increase Base Pay-D1	
10		1000	20		102100		60130	2,615	2,615		Increase Fringe-D1	
11		1000	20		102100		60140	489	489	<b>11,254</b>	Increase Insurance-D1	
12												
13		1000	20		102200		60000	4,075	4,075		Increase Base Pay-Cruz	
14		1000	20		102200		60130	1,308	1,308		Increase Fringe-Cruz	
15		1000	20		102200		60140	245	245	<b>5,628</b>	Increase Insurance-Cruz	
16												
17		1000	20		102210		60000	4,075	4,075		Increase Base Pay-New	
18		1000	20		102210		60130	1,308	1,308		Increase Fringe-New	
19		1000	20		102210		60140	245	245	<b>5,628</b>	Increase Insurance-New	
20												
21		1000	20		102300		60000	8,150	8,150		Increase Base Pay-D3	
22		1000	20		102300		60130	2,615	2,615		Increase Fringe-D3	
23		1000	20		102300		60140	489	489	<b>11,254</b>	Increase Insurance-D3	
24												
25		1000	20		102450		60000	8,150	8,150		Increase Base Pay-D4	
26		1000	20		102450		60130	2,615	2,615		Increase Fringe-D4	
27		1000	20		102450		60140	489	489	<b>11,254</b>	Increase Insurance-D4	
28												
29												
									<b>89,566</b>	<b>89,566</b>	<b>Total - Page 1</b>	
									<b>0</b>	<b>0</b>	<b>GRAND TOTAL</b>	



**Department of County Management**  
**MULTNOMAH COUNTY OREGON**

Budget Office

501 SE Hawthorne Blvd., Suite 531  
Portland, Oregon 97214  
(503) 988-3312 phone  
(503) 988-5758 fax  
(503) 988-5170 TDD

TO: Board of County Commissioners  
FROM: Christian Elkin, Senior Budget Analyst  
DATE: September 5, 2006  
SUBJECT: General Fund Contingency Request for \$108,988 to fund salary adjustments for the Multnomah County Chair, Commissioners and District Attorney per recommendations from the 2006 Salary Commission (Budget Modification NOND-03).

A \$108,988 General Fund Contingency request is being proposed to fund salary adjustments for the Multnomah County Chair, Commissioners and District Attorney. These salary increases are based on the report from the 2006 Salary Commission as follows:

	<b>Current Salary</b>	<b>FY 2007 Recommended</b>	<b>FY 2008 Recommended</b>
Chair	\$90,789	\$123,048	\$126,124
Commissioners	\$71,850	\$80,000	\$82,000
District Attorney	\$125,435*	\$139,500	\$144,000

*\*Note: the General Fund pays for \$34,763 while the state covers the additional \$90,672*

The total cost increase to the General Fund including increased salary related expenses and insurance is:

	<b><u>Chair</u></b>	<b><u>Commissioners</u></b>	<b><u>District Attorney</u></b>
Base Pay	\$32,260	\$32,600	\$14,065
Salary Related	\$10,352	\$10,461	\$4,513
Insurance	\$1,936	\$1,956	\$844
<b>Total</b>	<b>\$44,548</b>	<b>\$45,017</b>	<b>\$19,422</b>

**General Fund Contingency Policy Compliance**

The Budget Office is required to inform the Board if contingency requests submitted for approval satisfy the general guidelines and policies for using the General Fund Contingency. The request is consistent with County Policy Criteria #2 as it was an unanticipated cost.

- Criteria 1 States contingency requests should be for one-time-only purposes. This request is not one time only and requires funding in the future.
- Criteria 2 Addresses emergencies and unanticipated situations. *This expenditure meets this requirement as it was unanticipated due to the timing of the release of the Salary Commission's Report.*
- Criteria 3 Addresses items identified in Board Budget Notes. This item was not identified in a budget note.

The General Fund Contingency for FY 2007 is \$7.6 million. Please note that this amount includes \$3.5 million for the BIT Stabilization Reserve, \$1 million for MCSO Corrections Overtime, \$1 million for Corrections Health, and approximately \$900,000 earmarked for classification and compensation studies. This request coupled with the SUN Schools and Bienestar appropriation will have used approximately 44% of the non-allocated or "normal" contingency.



## **Salary Commission**

501 SE Hawthorne, Room 601  
Portland, Oregon 97204  
Telephone (503) 988-3320

Date: August 9, 2006

To: Multnomah County Board of County Commissioners

From: 2006 Salary Commission  
Rick Howell, Senior Director, Organizational Development,  
Knowledge Learning Corporation  
Laura Olson, Corporate Director of Human Resources, Schnitzer Steel  
David Rhys, Classification/Compensation Manager, City of Portland

Chair: Mary Ann Wersch, Director of Human Resources, Reed College  
Eric Wilson, President, HR Integrated Solutions

Re: 2006 Multnomah County Salary Commission Report

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2, 2004, the 2006 Multnomah County Salary Commission (Commission) was appointed by the County Auditor and convened to set the salaries for the Board of County Commissioners (BOCC), specifically the positions of Multnomah County Commissioner (Commissioner) and Chair of the Board of County Commissioners (Chair).

Enclosed is our report which sets the salaries for the BOCC and documents the basis for our decisions. We will be happy to answer questions or provide additional information upon request.

## **Executive Summary**

1. In 2002, the BOCC approved Resolution No. 02-143 indexing the Commissioners' salaries to 75% of a circuit court judge's salary. This was reinforced by the 2004 Salary Commission; however, no board action was taken. The judge's salary is currently \$95,800; Commissioners' salaries should be \$71,850. The FY 2005/06 salary for three Commissioners is \$71,850; one Commissioner's salary is \$71,000.
2. In 2002, the BOCC approved Resolution No. 02-143 indexing the Chair's salary to 125% of a circuit court judge's salary, phased in over a 5 year period. This was reinforced by the 2004 Salary Commission; however, no board action was taken. In 2005/06 the Chair's salary was to be 120% of the circuit court judge's salary. The judge's salary is currently \$95,800; the Chair's salary should be \$114,960. The FY 2005/06 salary for the Chair remains \$90,789 which is 94.8% of a circuit court judge's salary.
3. In November 2004, the voters approved a ballot measure modifying the language of the County Charter, Section 4.3 specifying that future Salary Commissions set, rather than recommend, the salaries of the BOCC.
4. Because the BOCC is no longer in a position of determining their own pay, benchmarking to a judge's salary, a salary over which the BOCC has no control, is no longer relevant. Instead the Commission has assessed both the external market and internal equity in order to set the salaries.
5. The 2006 Commission is setting the 2006/07 salary for the Commissioners at \$80,000 and the 2007/08 salary at \$82,000. The 2006 Commission is setting the 2006/07 salary for the Chair at \$123,048 and the 2007/08 salary at \$126,124.

Respectfully submitted this 9th day of August, 2006.

**By the Multnomah County Salary Commission:**

Rick Howell, Laura Olson, David Rhys, Mary Ann Wersch, and Eric Wilson

## **SALARY COMMISSION BACKGROUND**

In November 1984 the Home Rule Charter was amended as follows:

"The auditor shall appoint a five-member salary commission, composed of qualified people with personnel experience by January 1, 1986, and by January 1 in each even year thereafter....(to make) salary adjustment recommendations, if any..."

The first Commission was appointed in 1986 and a new Commission has been appointed in each even year up to the current 2006 Commission.

In 1990, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that allowed the BOCC to approve their own salary increases rather than salary increase recommendations being referred to the voters. The measure also specified they were not allowed to set salaries higher than the recommendation from the Commission.

In 1991 a County Counsel's opinion stated that the Commission may also make recommendations regarding the salaries of the Sheriff and District Attorney, if requested. To date, the Commission has not been asked to make a recommendation for the Sheriff, but has now been asked to review the salary of the District Attorney.

In 2004, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that modified the language of the County Charter, Section 4.30 to read as follows:

"The auditor shall appoint a five-member salary commission, composed of qualified human resource professionals with compensation experience, by January 1 of each even year. The salary commission shall *set the salaries* for the chair of the board of county commissioners and the county commissioners, documenting the basis of its decisions."

## **SALARY HISTORY**

From FY 1983-84 through FY 1990-91, the Chair and Commissioners did not receive an increase in salary. From FY 1991-92 through FY 1995-96, cost of living increases were added to Chair and Commissioners' salaries, but their salaries remained far below comparable jurisdictions and the relative worth of the jobs.

In 1996 the BOCC approved the Commission recommendation that a Commissioner's salary be indexed to 75% of a judge's salary and that the Chair's salary be indexed to the mid-point of the salary range for the Chair's direct reports, Multnomah County department directors.

The 1998 Commission reaffirmed this methodology for indexing of salaries and further recommended that an appropriate ratio between the Commissioners' salaries and the

Chair's salary be no more than 80%. Should the ratio be more than 80%, the Commissioners' salaries would be reduced to the 80% ratio. The 1998 BOCC did not act on the recommendation, but did in fact increase the Chair's and the Commissioners' salaries in accordance with the phased-in approach approved by the 1996 BOCC.

In 2000, the BOCC approved the Commission recommendation that the Commissioners' salary remain \$63,975 or 75% of a circuit court judge's salary, whichever was greater, effective July 1, 2000 and again on July 1, 2001. The BOCC further approved the recommendation that the Chair's salary be increased to the midpoint of the department directors' salary range effective July 1, 2000 and in 2001 remain at this level or increase to the mid-point of the department directors' salary range, whichever was greater.

In 2002 the BOCC approved the Commission's recommendation for no change to the methodology for Commissioners' salaries and to continue their salaries at \$67,800. In regard to the Chair's salary, the Commission determined that County department directors' salaries were below market according to the County HR staff. Indexing to the department directors would not be appropriate. Consequently, the BOCC approved the Commission's recommendation of indexing the Chair's salary to 125% of a judge's salary and suggested the Board may want to consider a phased in approach. Although this was approved, the Chair's salary did not increase but instead remained at \$90,789.

The 2004 Commission recommended no change in methodology, maintaining the same salary for Commissioners' and increasing the Chair's salary in accordance with the previously approved phased-in approach. No action was taken by the BOCC and the Chair's salary again did not increase.

Current salaries are as follows: three Commissioners are paid \$71,850, one Commissioner is paid \$71,000, and the Chair is paid \$90,789.

## **METHODOLOGY AND FINDINGS**

For a number of years, Commissions have recommended that the BOCC positions be benchmarked to a judge's salary. Since the judge's salary is determined by the state legislature, the BOCC had no influence over their own salary increases. However, judge's salaries are not regularly adjusted and have not increased since 2002/03. Consequently, salaries for BOCC positions have once again lost ground. This fact along with the passage of the recent Charter amendment specifying that the Commission will *set* the salaries of the BOCC makes this benchmarking methodology far less relevant or necessary.

Compensation theory suggests that evaluating both external market data and internal equity is the most widely accepted methodology for setting salary rates. This is the revised approach taken by this Commission.

The Commission collected and reviewed data from a number of sources. The data is summarized below.

**1. Survey information for Commissioner from the County HR Office:**

The County Human Resource Office identified several comparable counties for purposes of comparing Commissioner salaries, as follows:

**Exhibit A: Comparison of Commissioner salaries in comparable counties:**

County	2006 Commissioner Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Clackamas, OR	\$70,094	100%	\$70,094
Lane, OR	\$72,842	96.1%	\$75,776
Marion, OR	\$67,704	94.9%	\$71,330
Snohomish, WA	\$90,504	111.5%	\$81,143
Thurston, WA	\$93,216	93.8%	\$99,377
Hennepin, MN	\$86,808	103.5%	\$83,872
<b>Mean</b>	<b>\$80,195</b>		<b>\$80,265</b>
Multnomah	(approved salary)		\$71,850
			Differential = 12%

**2. Survey information for Commissioner from other counties:**

Several other counties nationally have populations, budgets and Commissioner positions that are similar to Multnomah County. Although not listed by the HR Office these potential comparators were reviewed as well.

**Exhibit B: Comparison of Commissioner salaries in other counties:**

County	2006 Commissioner Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Pierce, WA	\$79,076	96.7%	\$81,788
Denver, CO	\$73,512	101%	\$72,817
Jefferson, AL	\$66,000	85%	77,605
Hamilton, OH	\$83,059	88.6%	\$93,762
<b>Mean</b>	<b>\$75,412</b>		<b>\$81,493</b>
Multnomah	(approved salary)		\$71,850
			Differential = 13%

**3. Survey information for Chair from the County HR Office:**

Only two of the counties identified by the County HR office have comparable Chair positions, as follows:

**Exhibit C: Comparison of Chair salaries for comparable counties:**

County	2006 Chairperson Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Pierce, WA	\$131,794	96.7%	\$136,291
Snohomish, WA	\$124,228	111.5%	\$111,415
<b>Mean</b>	<b>\$128,011</b>		<b>\$123,853</b>
Multnomah County (approved salary)			\$114,960
			Differential = 8%

**4. Survey information for Chair from other counties:**

Several other counties nationally have populations, budgets and a Chair position that are similar to Multnomah County. Although not listed by the HR Office these potential comparators were reviewed as well.

**Exhibit D: Comparison of Chair salaries for other counties:**

County	2006 Chairperson Salary	2006 Geographic Adjustment	2006 Adjusted Salary
Towson, MD	\$125,000	100.3%	\$124,626
Jackson, MO	\$88,982	86.3%	\$103,108
DeKalb, GA	\$210,080	91.9%	\$228,596
<b>Mean</b>	<b>\$141,354</b>		<b>\$152,110</b>
Multnomah County (approved salary)			\$114,960
			Differential = 32%

**5. State legislators, regional councils, and local boards:**

A review of these jurisdictions showed limited comparability. Metro is a governmental agency in the Portland area with elected officials whose salaries should be noted. However, Metro is much smaller than Multnomah County, both in terms of staff and budget. The current data from Metro is detailed in Exhibit E below.

**Exhibit E: Comparison with Metro salaries**

Metro Position	Salary
Executive (salary of a judge)	\$95,800
Councilor (one-third of a judge salary)	\$31,933

**6. City of Portland:**

Although past Commissions have not used data from the City of Portland, the County's human resources office does use city data for comparison with both elected official salaries and management salaries. However, it should be noted that City

Commissioners have operational responsibility for a city bureau, thus not a good job match. Additionally, both the staff and budget for the City are considerably larger than Multnomah County. Approved salaries for the City of Portland Mayor and Commissioners as of July 1, 2006 are detailed in Exhibit F below.

**Exhibit F: Comparison with City of Portland approved salaries**

City of Portland Position	Salary
Mayor	\$110,822
Commissioner	\$93,350

**7. Comparability between the Chair and County department directors:**

The Chair has County-wide operational and fiscal responsibilities, which the Commissioners do not, and seven (7) department directors in two pay levels report directly to the Chair. Currently, all of the direct report department directors have salaries above the midpoint of the range.

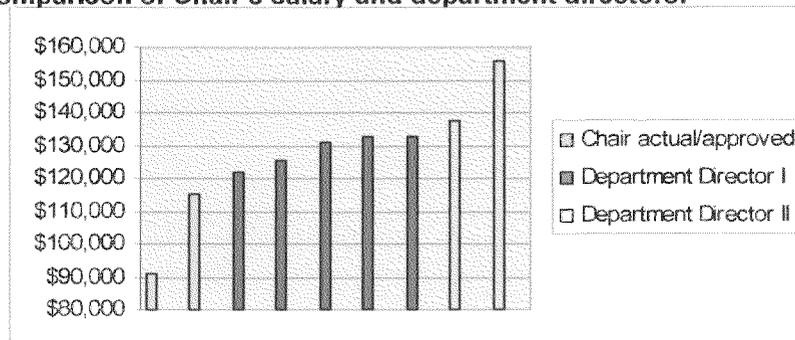
**Exhibit G: Department directors' salaries:**

Department	Classification	2006/07 salary	Pay Scale Range
County Management	Department Director I	\$121,733*	\$88,285-\$136,427
Human Services	Department Director I	\$125,385*	\$88,285-\$136,427
Community Services	Department Director I	\$130,690	\$88,285-\$136,427
Community Justice	Department Director I	\$132,711	\$88,285-\$136,427
Community Schools	Department Director I	\$132,711	\$88,285-\$136,427
Health Services	Department Director II	\$137,497	\$102,242-\$157,810
Library	Department Director II	\$155,497	\$102,242-\$157,810

*\*Interim Appointment*

Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. However, the Chair's actual salary compared with her direct reports shows the Chair paid less than each of her direct reports and less than the midpoint of either salary range. If the Chair's salary were the approved salary, it is still less than the salary of each direct report. Exhibit H shows the comparison of the Chair's actual salary and approved salary with the 2006/07 salaries of the County department directors.

**Exhibit H: Comparison of Chair's salary and department directors:**



**8. Salary setting of other County elected officials:**

The Multnomah County Home Rule Charter specifies that the County Sheriff's salary shall be fixed by the BOCC in an amount not less than any member of the Sheriff's office. Additionally, the Commission is recommending that the District Attorney's salary be increased to no less than the salary of his direct reports. Similarly, the Chair's salary should not be less than her direct reports.

**9. Tenure in the job:**

Generally speaking, salary will increase based in part on tenure in the position. These are elected positions and presumably, a newly elected BOCC member would receive the salary of the outgoing BOCC member. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

**10. Assumption of full-time:**

Although there is no mandated requirement that the BOCC be full-time positions, this Commission is making the assumption that they are and all salaries shown are full-time equivalent salaries.

**11. Benefits considerations:**

According to the County HR staff, elected officials receive the same benefits as any other County employee with the exception of disability. However, total compensation information (the relative worth of the combination of salary and benefits) is not currently available for other counties and jurisdictions surveyed. That level of survey can be time-consuming and expensive, but perhaps should be considered by future Commissions.

**12. CPI considerations:**

CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining appropriate salary ranges for department directors.

**13. Pay for performance:**

BOCC salaries relate to the office and not to persons; in other words, the salaries are based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position.

**14. Compensation philosophy:**

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to attract, retain and motivate employees. However, this Commission believes that these factors are not the primary reason a person decides to run for elected office. Further, people who run for these elected positions are not recruited outside the metropolitan area, so salary comparability as a recruitment tool is simply not a factor. Even so, elected officials should be paid an equitable and fair wage for the work they do. Although it cannot be

proven, this Commission also believes that an equitable and fair salary will reduce one impediment for high quality individuals to run for elected office.

## **RECOMMENDATIONS AND REASONS**

Commissioners' salaries are below market. The most significant and heavily weighted data is external market data from the comparable counties. The 2006 mean adjusted salary is \$80,265. Multnomah County Commissioners have an approved pay rate of \$71,850 which falls short of the mean by 12%. Commissioner salaries fall short of the mean of other counties by 13%. City Commissioners, who supervise bureaus and thus have greater responsibility, are paid \$93,350 which is a differential of 30%.

Increasing Commissioners' salaries to \$80,000 for 2006/07 creates comparability with other like counties while at the same time creating a reasonable differential with City Commissioner salaries of 17%. Commissioners' salaries for 2007/08 should increase by 2.5% which is the average CPI increase in Portland for the past 10 years.

The Chair's salary is out of alignment with other County positions that report to the Chair. In this case, the most significant and heavily weighted data is internal equity. Greater weight is being given to internal equity considerations than to the external market for a couple of reasons:

- a. internal equity (data regarding department directors) is a professionally acceptable method for assigning a salary;
- b. external market data has not provided acceptable job matches in very many other jurisdictions.

The Chair's approved salary for 2005/06 is \$114,960 and the previously approved salary for 2006/07 is \$119,750. Her actual salary is \$90,789. The approved salary is less than the salaries of each of her direct reports. The spread of the combined ranges for Department Director I and II is \$88,285-\$157,810. The midpoint of that combined range is \$123,048.

Increasing the salary to the midpoint of the combined range, that is \$123,048, still does not create a desirable spread between the Chair and her subordinates but does lessen the gap. The Chair's salary for 2007/08 should increase by 2.5% which is the average CPI increase in Portland for the past 10 years.

## **2006/2007 AND 2007/2008 SALARIES**

The 2006 Salary Commission sets the 2006/07 salary for Commissioner at \$80,000 and the 2007/08 salary at \$82,000.

The 2006 Salary Commission sets the 2006/07 salary for Chair at \$123,048 and the 2007/08 salary at \$126,124.

## **LAST BUT CERTAINLY NOT LEAST**

The Commission wishes to thank Carol Brown and Dave Bower of the County Human Resources Office for collecting and sharing valuable information regarding management salaries and comparable jurisdictions.

The Commission wishes to thank Agnes Sowle, County Counsel, for discussing with us legal issues related to the County Charter.

The Commission also wishes to extend its heartfelt gratitude to the Multnomah County Auditor Suzanne Flynn and her assistant Judy Rosenberger for the research and support provided to the Commission, for willingly (or at least appearing to...) attending all early morning meetings with a much appreciated continental breakfast, for the collection and distribution of minutes, and for their warm, caring and friendly ways. We could not, and would not want to, do our work without them. Thank you!



## **Salary Commission**

501 SE Hawthorne, Room 601  
Portland, Oregon 97204  
Telephone (503) 988-3320

Date: August 9, 2006

To: Multnomah County Board of County Commissioners

From: 2006 Salary Commission  
Rick Howell, Senior Director, Organizational Development,  
Knowledge Learning Corporation  
Laura Olson, Corporate Director of Human Resources, Schnitzer Steel  
David Rhys, Classification/Compensation Manager, City of Portland

Chair: Mary Ann Wersch, Director of Human Resources, Reed College  
Eric Wilson, President, HR Integrated Solutions

Re: Report and Recommendation regarding the District Attorney's Salary

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2004, the 2006 Multnomah County Salary Commission (Commission) was appointed by the County Auditor to set salaries for the Board of County Commissioners (BOCC). Additionally, the Commission was given the authority, under the BOCC Resolution No. 05-169 dated October, 2005, to recommend salary adjustments to the District Attorney's salary in future years.

Enclosed is our report and recommendation for the salary for the District Attorney for fiscal years 2006/07 and 2007/08. We will be happy to answer questions or provide additional information upon request.

## **Executive Summary**

The Commission considered three factors in recommending a salary adjustment for the District Attorney:

1. salaries of district attorneys in Oregon and Washington;
2. salaries of Multnomah County department directors; and
3. salaries of direct reports to the Multnomah County District Attorney.

The Commission gave more weight to internal equity (salaries of department directors and the District Attorney's subordinates) than to external market considerations (salaries of other OR and WA District Attorneys).

The Commission recommends that the salary of the District Attorney be increased to \$139,500 for 2006/07.

The Commission recommends that the salary of the District Attorney be increased to \$144,000 annually for 2007/08.

Respectfully submitted this 9th day of August, 2006.

**By the Multnomah County Salary Commission:**

Rick Howell, Laura Olson, David Rhys, Mary Ann Wersch, and Eric Wilson

## **SALARY COMMISSION BACKGROUND**

In November 1984 the Home Rule Charter was amended to establish a five-member salary commission. The first Commission was appointed in 1986 and a new Commission has been appointed in each even year up to the current 2006 Commission.

In November 2004 the Home Rule Charter was amended as follows:

“The auditor shall appoint a five-member salary commission, composed of qualified human resource professionals with compensation experience, by January 1 of each even year. The salary commission shall set the salaries for the chair of the board of county commissioners and the county commissioners, documenting the basis of its decisions....”

In October, 2005 the Commission was given the authority, under BOCC Resolution No. 05-169, to recommend salary adjustments to the District Attorney’s salary in future years.

## **SALARY HISTORY**

Oregon district attorneys receive a salary from the State of Oregon. The majority of district attorneys in the State, including Multnomah County, also receive a supplemental salary from the County jurisdiction.

For ten years, 1994-2004, the Multnomah County District Attorney did not receive a cost of living increase from either the State or County.

The State currently contributes \$90,672 annually to the District Attorney’s salary. In 2005, the County supplement was increased to \$35,000, thus increasing the combined annual salary to \$125,672.

Included in BOCC Resolution 95-169 is a provision that the District Attorney receive annual cost of livings increases, based on the total salary, granted to other management staff in the County. The cost of living increase for 2006/07 is 2.8%, thus increasing the District Attorney’s current salary to \$129,191. Of this \$129,191 the State contribution remains the same at \$90,672 but the County’s contribution increases to \$38,519.

## **METHODOLOGY AND FINDINGS**

The Commission collected and reviewed current data from a number of sources. The data is summarized below.

### **1. District Attorney’s salaries in counties in Oregon and Washington:**

The larger counties in Oregon and Washington, as follows, were considered for external market data comparisons.

Oregon: Clackamas, Lane, Marion, and Washington

Washington: Clark, King, Pierce, Snohomish, and Thurston

The Multnomah County District Attorney's Office was contacted by the Commission to determine if there are differences in district attorney duties in OR and WA counties that would be important for the Commission to know. The office did cite differences in responsibilities with other Oregon counties in that other counties are responsible only for prosecuting the crimes that have occurred within their county's jurisdictional boundaries. It is their opinion this is also true of the counties in Washington State. The Multnomah County District Attorney is responsible for prosecuting all levels of crimes that his office receives from seven (7) individual jurisdictions. Thus the span of prosecutorial responsibility is much broader for the Multnomah County District Attorney in comparison to other counties in Oregon and Washington.

**Exhibit A: District Attorney Salaries adjusted for Geographical Differences  
June, 2006**

County	Major City	Actual Salary	Geographic adjustment	Equivalent Portland Salary
Clackamas, OR	Oregon City	\$108,172	100%	\$108,172
Lane County, OR	Eugene	\$110,412	96.1%	\$114,860
Marion County, OR	Salem	\$111,659	94.9%	\$117,638
Washington County, OR	Beaverton	\$116,076	100%	\$116,076
Clark County, WA	Vancouver	\$124,412	106.5%	\$116,818
King County, WA	Seattle	\$146,756	107.8%	\$136,185
Pierce County, WA	Tacoma	\$124,411	96.7%	\$128,677
Snohomish County, WA	Everett	\$124,411	111.5%	\$111,542
Thurston County, WA	Olympia	\$119,424	93.8%	\$127,367
Average:		\$120,637	Average:	\$119,704
Multnomah County (June)		\$125,672		\$125,672
Differentials:		4%		5%

Source: Oregon District Attorneys Association 2005 Salary Survey and Auditor's Office salary survey conducted December, 2005.

**2. Comparability between the District Attorney and Multnomah County department directors:**

There are seven (7) department directors in the County in two pay scales. In 2005 the Multnomah County Human Resources Office concluded that the position of District Attorney is comparable in classification to Department Director II.

**Exhibit B: Department Directors' Salaries:**

Department	Classification	2006/07 salary	Pay Scale Range
County Management	Department Director I	\$121,733*	\$88,285-\$136,427
Human Services	Department Director I	\$125,385*	\$88,285-\$136,427
Community Services	Department Director I	\$130,690	\$88,285-\$136,427
Community Justice	Department Director I	\$132,711	\$88,285-\$136,427
Community Schools	Department Director I	\$132,711	\$88,285-\$136,427
Health Services	Department Director II	\$137,497	\$102,242-\$157,810
Library	Department Director II	\$155,497	\$102,242-\$157,810

*\*Interim Appointment*

The midpoint of the Department Director II salary range is \$130,026 and both positions are paid above the midpoint. In fact all department director positions are paid above the midpoint. In order to maintain internal equity, the District Attorney should also be paid above the midpoint.

**3. Comparability between the District Attorney and his direct reports:**

The second highest level position in the office is the Chief Deputy District Attorney. There are currently two incumbents in this class and the 2006/07 salary for each position is \$132,257. This places the subordinates' salary above the supervisor's salary.

Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. This is somewhat reinforced in the Multnomah County Home Rule Charter which specifies that the County Sheriff's salary shall be fixed by the BOCC in an amount that is not less than any member of the Sheriff's office.

**4. Tenure in the job:**

Generally speaking, salary will increase based in part on tenure in the position. This is an elected position and presumably, should a new District Attorney be elected, he/she would receive the salary of the outgoing District Attorney. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

**5. Benefits considerations:**

Of the data available to this Commission, there are differences in benefits packages provided to Oregon district attorneys. However, total compensation information (the relative worth of the combination of salary and benefits) is not readily available for the Oregon and Washington counties surveyed. That level of survey can be time-consuming and expensive, but perhaps should be considered by future Commissions.

**6. Internal equity versus external market considerations:**

Greater weight is being given to internal equity considerations than to the external market for a couple of reasons:

- a. internal equity (data regarding department directors and subordinates) is a professionally acceptable method for assigning a salary;
- b. external market data (data regarding Oregon and Washington county district attorney salaries) is not directly comparable to Multnomah County.

**7. CPI considerations:**

CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining an appropriate salary range for department directors.

**8. Compensation philosophy:**

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to attract, retain and motivate employees. However, this Commission believes that these factors are not the primary reason a person decides to run for elected office. Further, people who run for these elected positions are not recruited outside the metropolitan area, so salary comparability as a recruitment tool is simply not a factor. Even so, elected officials should be paid an equitable and fair wage for the work they do. Although it cannot be proven, this Commission also believes that an equitable and fair salary will reduce one impediment for high quality individuals to run for elected office.

**RECOMMENDATIONS AND REASONS**

The salaries of district attorneys in Oregon and Washington jurisdictions are closely aligned to this position when in fact, this position has greater responsibility than most, if not all, of the counties listed. Accordingly it should be paid more. A salary of \$144,000 would create a differential between the Multnomah County District Attorney and the average, geographically adjusted, of the Oregon and Washington Counties of 20%. That differential is inflated due to the fact the market data is 2005 data and the new salary is for 2006/07. Aging the market data by 3% creates a 17% differential which seems appropriate given the differences in responsibility and authority.

The Multnomah County Department Director I level positions (regular not interim positions) are paid slightly more than the Multnomah County District Attorney even though the District Attorney position is equivalent to Department Director II. Both Department Director II positions are paid more than the District Attorney. All department directors are paid above the midpoint of the range. It is our understanding from County HR staff that most department directors are hired at the midpoint of the salary range or above. Therefore, it seems appropriate that the District Attorney be placed at the 75<sup>th</sup> percentile of the Department Director II range which is approximately \$144,000.

The two Chief Deputies to the District Attorney are paid a salary slightly more than the District Attorney's salary. Increasing the salary to \$144,000 creates a differential

between the District Attorney and his direct reports of 9%, still on the low side but acceptable.

In comparison with the elected Chair of the BOCC, the recommended salary for the District Attorney is greater than the Chair's salary which is being set by this Commission at \$123,048. Both are elected officials of the County. However, the District Attorney is required to have professional credentials not required of other County elected positions and that justifies the higher salary.

Because the recommendation to increase the salary to \$144,000 is a fairly significant increase, we are proposing a phased-in approach similar to the approach approved by the BOCC regarding the Chair's salary several years ago. The salary in the first year should increase to the 67<sup>th</sup> percentile of the Department Director II range and in the second year reach the recommended rate of the 75<sup>th</sup> percentile of the range.

### **2006/2007 and 2007/2008 SALARY**

The Commission recommends that the salary of the District Attorney be increased to \$139,500 for 2006/07.

The Commission recommends that the salary of the District Attorney be increased to \$144,000 annually for 2007/08 or to the 75<sup>th</sup> percentile of the Department Director II salary range, whichever is greater.

Additionally the Commission recommends that the salary be considered the combined total salary including both the County's and State's contributions. Should the State increase or decrease its level of contribution, the County will then subsequently adjust its level of contribution to return it to the recommended total salary.

### **ENHANCING SERVICE TO THE PUBLIC**

The Commission recommends that the BOCC accept the recommendations in total for the following reasons:

1. the recommendations come from professionals in the field of compensation and are based on (to the best of our knowledge) accurate, relevant and appropriate data and methodologies;
2. the salary recommendations relate to the office and not to the person; in other words, the salary is based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position;
3. being paid for what the job is objectively worth is extremely vital to maintaining high quality leadership for the District Attorney and his/her successor; thus the public will be better served.

## **LAST BUT CERTAINLY NOT LEAST**

The Commission wishes to thank Carol Brown and Dave Bower of the County Human Resources Office for collecting and sharing valuable information regarding management salaries and comparable jurisdictions.

The Commission wishes to thank Agnes Sowle, County Counsel, for discussing with us legal issues related to the County Charter.

The Commission also wishes to extend its heartfelt gratitude to the Multnomah County Auditor Suzanne Flynn and her assistant Judy Rosenberger for the research, information and support provided to the Commission, for willingly (or at least appearing to...) attending all early morning meetings with a much appreciated continental breakfast, creating and distributing minutes, and for their warm, caring and friendly ways. We could not, and would not want to, do our work without them. Thank you!

Cc: Michael Schrunk, District Attorney



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

**Board Clerk Use Only**

<b>Meeting Date:</b>	<u>09/14/06</u>
<b>Agenda Item #:</b>	<u>R-3</u>
<b>Est. Start Time:</b>	<u>10:10 AM</u>
<b>Date Submitted:</b>	<u>09/06/06</u>

**BUDGET MODIFICATION:** -

<b>Agenda Title:</b>	<b>RESOLUTION Approving the Lease and Subleases Termination Agreement with the Children's Land Trust, Morrison Child and Family Services, and the Multnomah Education Service District at the Regional Children's Campus Property at Edgefield and Authorizing County Chair to Execute Appropriate Documents to Complete the Agreement</b>
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*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date</b>	<u>September 14, 2006</u>	<b>Time</b>	<u>10 Minutes</u>
<b>Requested:</b>	<u>Chair Linn</u>	<b>Requested:</b>	<u>Chair's Office</u>
<b>Department:</b>	<u>Chair Linn</u>	<b>Division:</b>	<u>Chair's Office</u>
<b>Contact(s):</b>	<u>Doug Butler</u>		
<b>Phone:</b>	<u>(503) 988-6294</u>	<b>Ext.</b>	<u>86294</u>
		<b>I/O Address:</b>	<u>50306</u>
<b>Presenter(s):</b>	<u>Doug Butler</u>		

## General Information

**1. What action are you requesting from the Board?**

The Department of County Management requests that the Board approve the Lease And Subleases Termination Agreement with the Children's Land Trust, Morrison Child And Family Services, and the Multnomah Education Service District at the Regional Children's Campus Property at Edgefield and authorize the County Chair to execute appropriate documents to complete the agreement

The Department of County Management, Facilities and Property Management Division, recommends adoption of the Resolution.

**2. Please provide sufficient background information for the Board and the public to understand this issue.**

In 1998, the County entered into a transaction with the Regional Children's Campus, Inc. (RCC) to sell RCC land at Edgefield ("the RCC Campus Property") on a lease-purchase agreement, and to issue \$3,155,000 in Revenue Bonds to finance the construction of infrastructure improvements and

buildings to be occupied by RCC tenants. In addition to the bond proceeds, RCC did significant fundraising to assist in financing the improvements and received monetary and in-kind contributions toward the project in excess of \$2,500,000.

The purpose of the transaction was to develop a campus of service providers offering services to children. To that end, RCC subleased parcels in the campus to Multnomah Education Service District ("MESD"), Edgefield Children's Center, and Morrison Child and Family Services ("Morrison"). By merger, Morrison is now the sublessee on the latter two leases. The Children's Land Trust ("the Trust") is the successor to RCC.

By Resolution 05-131, the Board authorized (among other things) the sale of property to Reynolds School District, including the RCC Campus Property. The Resolution also approved an MOU between the County and the Trust to terminate the lease, to allocate \$4,450,000 of the proceeds from the Reynolds sale to the RCC Campus Property, and to sell MESD their ground parcel for \$1.00 (MESD pre-paid its sublease obligation.)

It is necessary to reach a final agreement with the Trust, MESD and Morrison before the County can conclude a final sale agreement with Reynolds and other buyers of the Edgefield properties. The draft agreement is acceptable to the Trust, MESD and Morrison, to terminate the lease and subleases so the sales to Reynolds and others can go forward. The agreement provides that upon sale to Reynolds, the \$4,450,000 proceeds will be allocated as follows:

1. To the County to pay off the bonds (an amount sufficient to retire the bonds will be paid at closing. The bonds will not be paid until 2008 which is the first opportunity to call the bonds);
2. To the County to pay off the balance due under the lease-purchase agreement;
3. To the County to pay off the balance of a loan made to RCC to remedy drainage and wetland issues on the property;
4. To the County to pay all payments in arrears under the lease.

These payments will make the County whole on the transaction.

A balance will remain after these payments are made to the County which will be paid from the sale proceeds as follows:

5. \$1,020,000 as compensation to Morrison for the buildings it built on its subleased parcel using non-County funds. The County is selling these buildings to Reynolds.
6. Balance to the Trust in the approximate amount of \$1,066,000: \$4,450,000 sale price, less \$2,364,000 due to County, less the \$1,020,000 to payment Morrison.

The County also agrees to pay to Morrison the sum of \$330,000 from sources other than the proceeds of the sale to defray the cost of Morrison's relocation from the site and to obtain agreement by Morrison to vacate the property in time for the transaction to Reynolds to close. The source of these funds is approximately \$300,000 that is in a reserve account and was established when the bonds were issued and the remaining \$30,000 will be taken from the proceeds of the remaining Edgefield land sale transactions.

Finally, the County agrees to contribute \$10,000 (plus application fees) toward the cost of the MESD application for approval of partition of the MESD parcel. The parties have agreed that MESD will attempt to create a legal parcel and the County will contribute a maximum of \$10,000 plus application fees toward that effort, but, will have no further liability or obligation to MESD beyond that sum.

**3. Explain the fiscal impact (current year and ongoing).**

The agreement makes the County whole through repayment of the bonds, land lease, infrastructure loan and rent deferral owed by the Trust. The additional \$300,000 payment to Morrison is from the bond reserve fund borrowed by the Trust as part of the bonds; it is not from the General Fund. The \$30,000 additional payment to Morrison will come from sales proceeds from other Edgefield

properties; it is not from the General Fund. This agreement will allow the Edgefield property sales approved in Resolution 05-031 and Resolution 06-062 to proceed with a gross sales price of approximately \$17 million.

**4. Explain any legal and/or policy issues involved.**

None

**5. Explain any citizen and/or other government participation that has or will take place.**

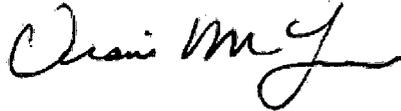
None

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**Required Signatures**

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**Department/  
Agency Director:**



**Date:** 09/06/06

**Budget Analyst:**

**Date:**

**Department HR:**

**Date:**

**Countywide HR:**

**Date:**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. \_\_\_\_\_**

Approving The Lease And Subleases Termination Agreement With The Children's Land Trust, Morrison Child And Family Services, And The Multnomah Education Service District At The Regional Children's Campus Property At Edgefield And Authorizing County Chair To Execute Appropriate Documents To Complete The Agreement.

**The Multnomah County Board of Commissioners Finds:**

- a. By Resolution 05-131, dated July 28, 2005, the Multnomah County Board of Commissioners approved the sale of the Regional Children's Campus Property ("Property"), along with the Edgefield Property and the Multnomah County Correctional Facility, to the Reynolds School District and Michael R. McMenamin.
- b. The Property was leased by the County to the Children's Land Trust ("Trust") pursuant to a lease-purchase agreement in October 1998. The Trust subleased portions of the Property under two separate subleases currently held by Morrison Child and Family Services ("Morrison") which operates the Edgefield and Counterpoint programs for children at the Property. The Trust subleased a different portion of the Property to the Multnomah Education Service District ("MESD") in October 1998.
- c. Multnomah County issued bonds to provide financing for the construction of improvements on the Property ("Bonds").
- d. Multnomah County also leased the land and provided an infrastructure loan to the Trust.
- e. The Trust and Morrison also provided funds to be used to fund the construction of improvements on the Property.
- f. The terms of the attached Lease and Subleases Termination Agreement ("Agreement") allocate \$4,450,000 from the sale to Reynolds to the Property. The Agreement provides for payment to the County of all sums due the County from the Trust (including arrearages) with the balance paid to the Trust and Morrison as provided in the Agreement. The agreement further provides The County will also make a separate payment to Morrison in the sum of \$330,000 from sources other than the \$4,450,000 allocated to the Property. This payment will be paid \$300,000 from bond reserves and the balance from proceeds of the sale of other Edgefield properties.
- g. The terms of the proposed sale to the Reynolds School District approved by Resolution 05-131 require that the Property be unencumbered by leases or subleases. The attached Agreement terminates the Trust lease and the Morrison subleases and modifies the MESD sublease to accommodate a Property sale,

either through a lease or transfer and partition. Morrison will relocate the Counterpoint and Edgefield programs from the Property.

**The Multnomah County Board of Commissioners Resolves:**

1. It is in the best interests of the County to terminate the lease and subleases at the Property and to make the payments to Morrison and the Trust under the terms of the attached Agreement and as provided above.
2. The Chair is authorized to approve terms of a lease and subleases termination agreement substantively consistent with the attached Agreement and to execute all appropriate documents necessary to complete the transactions.

ADOPTED this 14<sup>th</sup> day of September, 2006.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

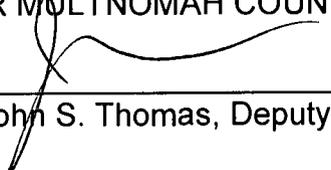
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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By



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John S. Thomas, Deputy County Attorney

**LEASE AND SUBLEASES  
TERMINATION AGREEMENT**

DATED: September \_\_\_\_, 2006

AMONG: MULTNOMAH COUNTY  
501 SE Hawthorne Street  
Portland, OR 97204 (the "County")

AND: THE CHILDREN'S LAND TRUST  
Formerly known as Regional Children's Campus, Inc.,  
an Oregon not-for-profit corporation  
c/o Janus Youth Programs, Inc.  
707 NE Couch Street  
Portland, OR 97232 (the "Trust")

AND: MORRISON CHILD AND FAMILY SERVICES,  
an Oregon nonprofit corporation  
736 NE Davis Street  
Portland, OR 97232 ("Morrison")

AND: MULTNOMAH EDUCATION SERVICE DISTRICT ( "MESD")  
P.O. Box 301039  
Portland, OR 97294-9039

The County owns the real property described on attached Exhibit A (the "Property"). The County leased the Property to the Trust pursuant to that Lease Agreement dated as of October 1, 1998, as amended by a First Amendment dated May 21, 2001 and Second Amendment dated November 4, 2004 (the "Lease Agreement"). The Trust subleased a portion of the Property to Edgefield Children's Center, Inc., pursuant to a Sublease dated October 12, 1998 and Morrison is the successor in interest of the subtenant's interest in that Sublease (the "ECC Sublease"). The Trust subleased a different portion of the Property to Morrison pursuant to that Sublease dated October 12, 1998 (the "Counterpoint Sublease"). The Trust leased another property (the "MESD Property") to MESD pursuant to a Ground Sublease Agreement dated October 12, 1998 (the "MESD Sublease"). The above described subleases are collectively the "Subleases."

The County issued bonds to provide financing for the construction of improvements on the Property (the "Bonds"). The Trust and Morrison also provided funds to be used to fund the construction of improvements on the Property. Those improvements have been constructed.

The County and the Trust desire to sell the Property to the Reynolds School District ("Reynolds") and the County has entered into a Memorandum of Understanding for sale of the Property to Reynolds. The County and the Trust desire to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the sale to Reynolds. The Trust and Morrison are willing to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the terms set forth in this Lease and Subleases Termination Agreement (the "Agreement").

Pursuant to the Lease Agreement, in the event the Lease Agreement is terminated, then County has agreed to recognize the MESD Sublease as a direct lease with County and, in that event, MESD has the option to purchase the MESD Property within 120 days after the Bonds have been paid in full for \$1 in accordance with the terms of Section 29 of the MESD Sublease.

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this Agreement, the parties agree as follows:

#### SECTION 1 AGREEMENTS CONCERNING LEASE AND SUBLEASE TERMINATION

1.1. Subject to the County's performance of its payment obligations set forth in Section 2, the Trust agrees to modify the Lease Agreement to provide for a termination date (the "Termination Date") of the earlier of: July 1, 2007 or closing of sale of the Property to Reynolds ("Closing"). The Trust agrees that it will vacate possession of the Property and will cause Morrison (its sub-tenant) to vacate possession of the Property by the Termination Date. The Trust shall not be required to cause MESD to vacate possession of the MESD Property. As of the Termination Date, the Trust and Morrison will have no claim to the Property or any of the

improvements located on the Property. As of the Termination Date, the rights of MESD to the MESD Property shall be as described in Section 3 below.

1.2. Effective July 1, 2005, the rent owed by the Trust to the County under the Lease Agreement is the sum of \$24,115 per month. Under the terms of the Lease Agreement the Trust has been permitted to defer \$6,300 per month since July 1, 2005. The amount deferred equals \$75,600 as of June 30, 2006 and deferred rent will continue to accrue at \$6,300 per month until Closing. The accrued and accruing deferred rent is hereafter collectively referred to as the "Rent Deferral". At Closing the Rent Deferral will be deducted from the proceeds of the sale of the Property to be paid to the Trust and the Rent Deferral will be paid to the County. The Trust will continue to pay the rent of \$17,815 to the County, and Morrison (the Trust's subtenant) will continue to pay its monthly rent due under the Subleases of \$1,600 for the ECC Sublease and \$12,730 for the Counterpoint Sublease plus common area maintenance ("CAM") charges to the Trust until the Termination Date plus any past due unpaid CAM charges and CAM reconciliations required by the Subleases. Morrison shall be entitled to terminate the ECC Sublease or the Counterpoint Sublease, or both, upon at least 90 days advance written notice to the County and the Trust with an effective termination date between January 1, 2007 and July 1, 2007, but in no event later than the Termination Date (the "Sublease Termination Date"). The Trust shall no longer be obligated to pay rent under the Lease Agreement to the County to the extent that rent is not received from Morrison on any terminated Sublease as of the Sublease Termination Date. Morrison shall no longer be obligated to pay rent to the Trust under any terminated Sublease as of the Sublease Termination Date except to the extent of any then unpaid CAM charges. The rent and CAM charges due under any Sublease that has not been terminated will continue to be paid by Morrison to the Trust and by the Trust to the County. If Morrison elects to give written notice terminating any Sublease between January 1, 2007 and the Termination Date, then rent which Morrison was otherwise obligated to pay the Trust but for the notice of early termination (the "Early Termination Deferral") shall be deferred and shall be a credit to the County against payments owing to Morrison pursuant to Section 2.1.1.

1.3. Except as modified by preceding subsections, the Lease Agreement remains in full force and effect and is unmodified. The County hereby waives any claim that the Trust has been or is currently in default of the terms of the Lease Agreement. The Trust agrees to perform

in accordance with the terms of the Lease Agreement (as modified) and the County retains its remedies for any breach of the Lease Agreement by the Trust except as waived above.

1.4. The Trust hereby waives any claim to some or all of the cash held in any reserve accounts established and maintained pursuant to the Bonds and agrees that any funds held in such reserves belong to the County.

1.5. Upon the termination of the Subleases, any rent Morrison was obligated to pay but did not prior to June 30, 2005 shall be waived.

## SECTION 2 COUNTY PAYMENT OBLIGATIONS

2.1. The parties agree that a sale to Reynolds under the terms and conditions of the Memorandum of Understanding between the County and Reynolds will result in proceeds to the County from sale of the Property of \$4,450,000, less the prorated closing costs of selling the Property and less the then unpaid principal balance owed under the Bonds (\$1,965,000 as of June 30, 2006), the amount owing for the land under the Lease Agreement (\$289,724 as of June 30, 2006) and the amount owing for infrastructure improvements under the First Amendment to the Lease Agreement (\$206,184 as of June 30, 2006) and the Rent Deferral ("Net Leasehold Value"). The Trust shall pay that portion of the Closing cost equal to the Net Leasehold Value divided by the sale price to Reynolds for the total property being sold to Reynolds. The Bonds are payable in annual payments and accordingly, the principal balance owed under the Bonds is reduced annually. However, the Trust makes monthly rent payments which are accumulated to make the annual Bond payments. For purposes of this Section 2.1, as of the Termination Date, the unpaid principal balance due under the Bonds shall be reduced by the principal component of the next due annual Bond payment divided by 360 days and multiplied by the number of days between the Termination Date and the immediately preceding annual Bond payment date. The County agrees to make the following payments:

2.1.1. The County agrees to pay Morrison \$1,020,000, less the amount, if any, of the Early Termination Deferral (the "Morrison Payment Amount"). The County shall also make a supplemental payment to Morrison of \$330,000 from sources other than the Net Leasehold Value (the "Morrison Supplemental Payment"). The Morrison Payment Amount and the Morrison Supplemental Payment are being paid to assist Morrison with the relocation of its

social service programs to another facility, however the payments made to Morrison under this agreement may be used by Morrison for any purpose.

2.1.2. The County agrees to pay the Trust: the Net Leasehold Value, less the Morrison Payment Amount (“the Trust Payment Amount”).

2.2. The Trust Payment Amount and the Morrison Payment Amount and the Morrison Supplemental Payment will be paid as follows:

2.2.1. Upon Closing, as defined below, the County shall pay the Trust Payment Amount, the Morrison Payment Amount and the Morrison Supplemental Payment in cash.

2.2.2. In the event that the Property has not been sold by June 30, 2007, then by July 16, 2007, the County shall nonetheless pay the Morrison Payment Amount and the Morrison Supplemental Payment in cash. As condition of such payments, Morrison shall deliver to the Trust (and provide evidence of such delivery to County) the termination of Project Use Agreement described in Section 6.3 below.

2.3. In the event that the Property has not been sold by June 30, 2007, then no payment shall be due to the Trust and the rights and obligations of the County, the Trust and MESD shall be as provided in Section 7.

### SECTION 3 OBLIGATIONS WITH RESPECT TO MESD SUBLEASE

3.1. As of the Termination Date, the MESD Sublease shall be a direct lease with the County and Trust shall have no obligation to MESD under the MESD Sublease.

3.2. As soon as practical after execution of this Agreement and prior to Closing, MESD shall seek to cause the MESD Property to be divided from the Property as a separate legal lot. County will provide such cooperation as may be necessary to achieve the land division including, without limitation, executing any required application and testifying in favor of such land division. County will reimburse MESD for the costs to prepare and submit the application for a land division a sum not to exceed \$10,000 plus fees paid to the City of Troutdale, but County shall not be required to expend any other funds in furtherance of the approval process or for costs associated with the land division MESD shall seek to obtain approval of the land

division which will allow MESD to continue to use the existing sewer line. If MESD is not successful in obtaining such approval and construction of a separate sewer line to serve the MESD Property is required as a condition of approval, and if MESD determines to proceed with the land division, then MESD and Trust shall share the cost of the additional sewer line equally. The Trust's share shall be deducted from the Trust Payment Amount and paid to MESD at Closing (or at closing under Section 7 if the Closing fails to occur). MESD and Trust may modify the terms of this Section 3.2 as it relates to agreements between them without the consent or further agreement of the other parties to this agreement. In the event that MESD obtains the land division prior to Closing, County shall, on the Termination date (or as soon thereafter as MESD obtains the land division) convey the MESD Property to MESD in accordance with Section 29 of the MESD Sublease whether or not the bonds have been paid in full. In the event MESD determines prior to Closing that it is legally or economically impractical to create the MESD Property as a separate legal lot, County will assign to Reynolds and cause Reynolds to assume the MESD Sublease as a direct lease, effective at Closing and thereafter County shall have no obligation to MESD under the MESD Sublease. MESD agrees that upon assignment of the MESD Sublease to Reynolds, MESD shall be solely responsible for all costs related to any future land division of the MESD Property into a separate legal lot and MESD will execute an agreement to that effect with Reynolds contemporaneous with the assignment to Reynolds.

3.3. The parties hereto acknowledge that MESD has prepaid the Prepaid Rent (as defined in the MESD Sublease) under the MESD Sublease. MESD agrees that it is not entitled to reimbursement for any Prepaid Rent under the MESD Sublease. MESD shall not be required to pay Rent under the MESD Sublease to County or Reynolds or any other purchaser of the Property.

#### SECTION 4 AMENDMENT OF LEASE AGREEMENT AND SUBLEASES

The parties agree that this agreement modifies the terms of the Lease Agreement and the Counterpoint Sublease and the ECC Sublease.

#### SECTION 5 COOPERATION WITH SALE

As set forth above, the County intends to sell the Property along with other adjacent property. The Trust and Morrison agree to cooperate with the County in this sale by

providing information reasonably available to the Trust or Morrison regarding the Property reasonably requested by the County, within ten (10) days of the County's written request. The Trust and Morrison further agree to exercise best efforts to provide to the County within thirty (30) days of the execution of this Agreement all material documents, reports, correspondence and related items in their possession used in the operation and maintenance of the property, including, but not limited to: environmental and asbestos reports; property surveys and certificates of occupancy for the structures on the Property; copies of reports and/or specifications for any major maintenance or repair work performed in excess of \$10,000 in a single system or incident since June 1, 2005; wetlands reports or analysis; soils or geotechnical reports; copies of any correspondence from city, state or other applicable jurisdiction relating to the Property; copies of any improvement plans, including utilities, civil and landscaping details; copies of any covenants, conditions and restrictions and any site planning guidelines; and any other business documents or records with respect to the material operation of the Property. The Trust and Morrison also agree to allow prospective purchasers and their agents to inspect the Property and to perform tests upon the Property so long as the County gives at least three (3) business days advance notice of the inspection, the testing occurs pursuant to a plan which the Trust and Morrison have approved (which approval will not be unreasonably withheld) and the party conducting the testing has provided evidence of reasonable insurance, insuring the Trust and Morrison as additional insureds, and agrees in writing to indemnify and hold the Trust and Morrison harmless from any injury, damage or liability relating to or resulting from the acts or omissions of the prospective purchaser or its agents.

## SECTION 6 CLOSING

6.1. At Closing of the sale to Reynolds, (the "Closing"):

6.1.1. The County shall make the payments described in Section 2.

6.1.2. If requested by the County, the Trust and Morrison will execute and deliver to the County a statutory quitclaim deed quitclaiming any interest in the Property to the County.

6.1.3. The County shall convey the MESD Property in accordance with Section 3.2, or if the MESD Property has not been divided from the Property as a separate legal lot and

conveyed to MESD in accordance with Section 3.2, County and Reynolds will execute and deliver to MESD an assignment and assumption of the MESD Sublease, as a direct lease, as described in Section 3.

6.2. Morrison agrees to pay for all common area maintenance charges and all utility costs accrued through the Closing with respect to the use of the Property.

6.3. As a condition of Closing and payment of the Morrison Payment Amount and the Morrison Supplemental Payment, Morrison shall deliver to the County at Closing a termination of that Project Use Agreement between the State of Oregon and Morrison and recorded against the Property on May 21, 1997.

#### SECTION 7 RIGHTS OF PARTIES UPON FAILURE TO CLOSE BY JUNE 30, 2007

7.1. If the sale to Reynolds fails to close by June 30, 2007, Payments to Morrison shall be made by County pursuant to Section 2.2.2.

7.2. Upon failure of the sale to Reynolds by June 30, 2007 County and Trust will make best efforts to sell the Property. County agrees that for a period of one year it will not sell the property for a sum less than \$4,450,000. Pending sale of the property under this Section, beginning July 1, 2007 until closing all rent due from Trust under the Lease Agreement shall be deferred.

7.3. At closing of the sale of the Property under this Section:

7.3.1. The Trust shall execute and deliver to the County the documents which Trust is required to provide under Section 6.1.2.

7.3.2. The Trust will be paid the net proceeds of the sale, if any, after payment to the County of the amounts described in Section 2.1 (but not it's subsections) plus rent deferred under this Section.

7.4. If the MESD Property has not been divided from the Property as a separate legal lot and conveyed to MESD in accordance with Section 3 hereof, County will assign to the

purchaser of the Property and cause the purchaser of the Property to assume the MESD Sublease as a direct lease at closing of the sale of the Property.

## SECTION 8 GENERAL PROVISIONS

### 8.1. Amendments.

No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver is agreed to in writing and signed by the parties.

### 8.2. Binding Effect

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, administrators, successors, and permitted assigns.

### 8.3. Complete Agreement

This Agreement constitutes the complete and final agreement between the parties with respect to the matters covered by this Agreement, and this Agreement supersedes and replaces all prior written or oral agreements on the same matter, except for the Lease Agreement, the Subleases and the Bond documents.

### 8.4. Construction and Interpretation

The use in this Agreement of the words "including," "such as," and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner, whether or not the language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather, shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated

at arm's length, and this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

#### 8.5. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original of this Agreement and all of which shall be one agreement.

#### 8.6. Default

An Event of Default shall occur if: A party fails to perform an obligation of such party set forth in this Agreement, the other party gives written notice of such failure, and the failure of performance is not cured within ten (10) days of such notice. If the failure of performance is such that it cannot be cured within such ten (10) days, then no default shall occur if the party commences to cure such a failure within such ten (10) day period of time and, thereafter, completely cures the failure as soon as is reasonably possible.

#### 8.7. Defined Terms

Words that are capitalized and not the first word of a sentence are defined terms and shall have the meaning given them where they are first used and capitalized.

#### 8.8. Exhibits

All exhibits attached to this Agreement are an integral part of this Agreement and are hereby incorporated by reference.

#### 8.9. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

#### 8.10. Headings

The headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

#### 8.11. Notices

All notices which are or may be given under the terms of this Agreement shall be in writing and sent to a party at its address first set forth above. A party may change its address for notices by a notice to the other parties. Notices may be given by hand delivery or U.S. certified mail, return receipt requested. Notices given by hand delivery shall be effective upon delivery to a party's address. Notices given by fax shall be effective upon electronic confirmation of transmittal by the sending fax machine. Notices given by certified mail shall be effective on the third business day after placement in the U.S. mail with postage prepaid.

#### 8.12. Remedies

In the case of an Event of Default, the non-defaulting party shall be entitled to each and every legal and equitable right and remedy as though each of those were fully set forth in this Agreement, including but not limited to, the remedy of specific performance.

#### 8.13. Severability

If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

#### 8.14. Time of Essence

Time is of the essence of the obligations of the parties under this Agreement.

#### 8.15. Waiver

Failure of any party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Agreement shall be effective only if set forth in writing and signed by the party to be charged.

8.16. Arbitration

Arbitration Required. Any dispute or claim that arises out of or that relates to this Agreement or to the interpretation or breach thereof, or to the existence, scope, or validity of this Agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have executed this Lease and Sublease and Termination Agreement as of the date first above written.

County: MULTNOMAH COUNTY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Trust: THE CHILDREN'S LAND TRUST, Formerly known as Regional Children's Campus, Inc., an Oregon not -for-profit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Morrison:

MORRISON CHILD AND FAMILY SERVICES  
an Oregon nonprofit corporation

By: \_\_\_\_\_

Jay C. Bloom  
President and Chief Executive Officer

MESD:

MULTNOMAH EDUCATION SERVICE  
DISTRICT

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A - Property Description

# EXHIBIT

## LEASE AND SUBLEASES TERMINATION AGREEMENT

DATED: September \_\_\_\_, 2006

AMONG: MULTNOMAH COUNTY  
501 SE Hawthorne Street  
Portland, OR 97204 (the "County")

AND: THE CHILDREN'S LAND TRUST  
Formerly known as Regional Children's Campus, Inc.,  
an Oregon not-for-profit corporation  
c/o Janus Youth Programs, Inc.  
707 NE Couch Street  
Portland, OR 97232 (the "Trust")

AND: MORRISON CHILD AND FAMILY SERVICES,  
an Oregon nonprofit corporation  
736 NE Davis Street  
Portland, OR 97232 ("Morrison")

AND: MULTNOMAH EDUCATION SERVICE DISTRICT ( "MESD")  
P.O. Box 301039  
Portland, OR 97294-9039

The County owns the real property described on attached Exhibit A (the "Property"). The County leased the Property to the Trust pursuant to that Lease Agreement dated as of October 1, 1998, as amended by a First Amendment dated May 21, 2001 and Second Amendment dated November 4, 2004 (the "Lease Agreement"). The Trust subleased a portion of the Property to Edgefield Children's Center, Inc., pursuant to a Sublease dated October 12, 1998 and Morrison is the successor in interest of the subtenant's interest in that Sublease (the "ECC Sublease"). The Trust subleased a different portion of the Property to Morrison pursuant to that Sublease dated October 12, 1998 (the "Counterpoint Sublease"). The Trust leased another property (the "MESD Property") to MESD pursuant to a Ground Sublease Agreement dated October 12, 1998 (the "MESD Sublease"). The above described subleases are collectively the "Subleases."

## EXHIBIT

The County issued bonds to provide financing for the construction of improvements on the Property (the "Bonds"). The Trust and Morrison also provided funds to be used to fund the construction of improvements on the Property. Those improvements have been constructed.

The County and the Trust desire to sell the Property to the Reynolds School District ("Reynolds") and the County has entered into a Memorandum of Understanding for sale of the Property to Reynolds. The County and the Trust desire to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the sale to Reynolds. The Trust and Morrison are willing to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the terms set forth in this Lease and Subleases Termination Agreement (the "Agreement").

Pursuant to the Lease Agreement, in the event the Lease Agreement is terminated, then County has agreed to recognize the MESD Sublease as a direct lease with County and, in that event, MESD has the option to purchase the MESD Property within 120 days after the Bonds have been paid in full for \$1 in accordance with the terms of Section 29 of the MESD Sublease.

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this Agreement, the parties agree as follows:

### SECTION 1 AGREEMENTS CONCERNING LEASE AND SUBLEASE TERMINATION

1.1. Subject to the County's performance of its payment obligations set forth in Section 2, the Trust agrees to modify the Lease Agreement to provide for a termination date (the "Termination Date") of the earlier of: July 1, 2007 or closing of sale of the Property to Reynolds ("Closing"). The Trust agrees that it will vacate possession of the Property and will cause Morrison (its sub-tenant) to vacate possession of the Property by the Termination Date. The Trust shall not be required to cause MESD to vacate possession of the MESD Property. As of the Termination Date, the Trust and Morrison will have no claim to the Property or any of the

## EXHIBIT

improvements located on the Property. As of the Termination Date, the rights of MESD to the MESD Property shall be as described in Section 3 below.

1.2. Effective July 1, 2005, the rent owed by the Trust to the County under the Lease Agreement is the sum of \$24,115 per month. Under the terms of the Lease Agreement the Trust has been permitted to defer \$6,300 per month since July 1, 2005. The amount deferred equals \$75,600 as of June 30, 2006 and deferred rent will continue to accrue at \$6,300 per month until Closing. The accrued and accruing deferred rent is hereafter collectively referred to as the "Rent Deferral". At Closing the Rent Deferral will be deducted from the proceeds of the sale of the Property to be paid to the Trust and the Rent Deferral will be paid to the County. The Trust will continue to pay the rent of \$17,815 to the County, and Morrison (the Trust's subtenant) will continue to pay its monthly rent due under the Subleases of \$1,600 for the ECC Sublease and \$12,730 for the Counterpoint Sublease plus common area maintenance ("CAM") charges to the Trust until the Termination Date plus any past due unpaid CAM charges and CAM reconciliations required by the Subleases. Morrison shall be entitled to terminate the ECC Sublease or the Counterpoint Sublease, or both, upon at least 90 days advance written notice to the County and the Trust with an effective termination date between January 1, 2007 and July 1, 2007, but in no event later than the Termination Date (the "Sublease Termination Date"). The Trust shall no longer be obligated to pay rent under the Lease Agreement to the County to the extent that rent is not received from Morrison on any terminated Sublease as of the Sublease Termination Date. Morrison shall no longer be obligated to pay rent to the Trust under any terminated Sublease as of the Sublease Termination Date except to the extent of any then unpaid CAM charges. The rent and CAM charges due under any Sublease that has not been terminated will continue to be paid by Morrison to the Trust and by the Trust to the County. If Morrison elects to give written notice terminating any Sublease between January 1, 2007 and the Termination Date, then rent which Morrison was otherwise obligated to pay the Trust but for the notice of early termination (the "Early Termination Deferral") shall be deferred and shall be a credit to the County against payments owing to Morrison pursuant to Section 2.1.1.

1.3. Except as modified by preceding subsections, the Lease Agreement remains in full force and effect and is unmodified. The County hereby waives any claim that the Trust has been or is currently in default of the terms of the Lease Agreement. The Trust agrees to perform

## EXHIBIT

in accordance with the terms of the Lease Agreement (as modified) and the County retains its remedies for any breach of the Lease Agreement by the Trust except as waived above.

1.4. The Trust hereby waives any claim to some or all of the cash held in any reserve accounts established and maintained pursuant to the Bonds and agrees that any funds held in such reserves belong to the County.

1.5. Upon the termination of the Subleases, any rent Morrison was obligated to pay but did not prior to June 30, 2005 shall be waived.

### SECTION 2 COUNTY PAYMENT OBLIGATIONS

2.1. The parties agree that a sale to Reynolds under the terms and conditions of the Memorandum of Understanding between the County and Reynolds will result in proceeds to the County from sale of the Property of \$4,450,000, less the prorated closing costs of selling the Property and less the then unpaid principal balance owed under the Bonds (\$1,965,000 as of June 30, 2006), the amount owing for the land under the Lease Agreement (\$289,724 as of June 30, 2006) and the amount owing for infrastructure improvements under the First Amendment to the Lease Agreement (\$206,184 as of June 30, 2006) and the Rent Deferral ("Net Leasehold Value"). The Trust shall pay that portion of the Closing cost equal to the Net Leasehold Value divided by the sale price to Reynolds for the total property being sold to Reynolds. The Bonds are payable in annual payments and accordingly, the principal balance owed under the Bonds is reduced annually. However, the Trust makes monthly rent payments which are accumulated to make the annual Bond payments. For purposes of this Section 2.1, as of the Termination Date, the unpaid principal balance due under the Bonds shall be reduced by the principal component of the next due annual Bond payment divided by 360 days and multiplied by the number of days between the Termination Date and the immediately preceding annual Bond payment date. The County agrees to make the following payments:

2.1.1. The County agrees to pay Morrison \$1,020,000, less the amount, if any, of the Early Termination Deferral (the "Morrison Payment Amount"). The County shall also make a supplemental payment to Morrison of \$330,000 from sources other than the Net Leasehold Value (the "Morrison Supplemental Payment"). The Morrison Payment Amount and the Morrison Supplemental Payment are being paid to assist Morrison with the relocation of its

## EXHIBIT

social service programs to another facility, however the payments made to Morrison under this agreement may be used by Morrison for any purpose.

2.1.2. The County agrees to pay the Trust: the Net Leasehold Value, less the Morrison Payment Amount ("the Trust Payment Amount").

2.2. The Trust Payment Amount and the Morrison Payment Amount and the Morrison Supplemental Payment will be paid as follows:

2.2.1. Upon Closing, as defined below, the County shall pay the Trust Payment Amount, the Morrison Payment Amount and the Morrison Supplemental Payment in cash.

2.2.2. In the event that the Property has not been sold by June 30, 2007, then by July 16, 2007, the County shall nonetheless pay the Morrison Payment Amount and the Morrison Supplemental Payment in cash. As condition of such payments, Morrison shall deliver to the Trust (and provide evidence of such delivery to County) the termination of Project Use Agreement described in Section 6.3 below.

2.3. In the event that the Property has not been sold by June 30, 2007, then no payment shall be due to the Trust and the rights and obligations of the County, the Trust and MESD shall be as provided in Section 7.

### SECTION 3 OBLIGATIONS WITH RESPECT TO MESD SUBLEASE

3.1. As of the Termination Date, the MESD Sublease shall be a direct lease with the County and Trust shall have no obligation to MESD under the MESD Sublease.

3.2. As soon as practical after execution of this Agreement and prior to Closing, MESD shall seek to cause the MESD Property to be divided from the Property as a separate legal lot. County will provide such cooperation as may be necessary to achieve the land division including, without limitation, executing any required application and testifying in favor of such land division. County will reimburse MESD for the costs to prepare and submit the application for a land division a sum not to exceed \$10,000 plus fees paid to the City of Troutdale, but County shall not be required to expend any other funds in furtherance of the approval process or for costs associated with the land division. MESD shall seek to obtain approval of the land

## EXHIBIT

division which will allow MESD to continue to use the existing sewer line. If MESD is not successful in obtaining such approval and construction of a separate sewer line to serve the MESD Property is required as a condition of approval, and if MESD determines to proceed with the land division, then MESD and Trust shall share the cost of the additional sewer line equally. The Trust's share shall be deducted from the Trust Payment Amount and paid to MESD at Closing (or at closing under Section 7 if the Closing fails to occur). MESD and Trust may modify the terms of this Section 3.2 as it relates to agreements between them without the consent or further agreement of the other parties to this agreement. In the event that MESD obtains the land division prior to Closing, County shall, on the Termination date (or as soon thereafter as MESD obtains the land division) convey the MESD Property to MESD in accordance with Section 29 of the MESD Sublease whether or not the bonds have been paid in full. In the event MESD determines prior to Closing that it is legally or economically impractical to create the MESD Property as a separate legal lot, County will assign to Reynolds and cause Reynolds to assume the MESD Sublease as a direct lease, effective at Closing and thereafter County shall have no obligation to MESD under the MESD Sublease. MESD agrees that upon assignment of the MESD Sublease to Reynolds, MESD shall be solely responsible for all costs related to any future land division of the MESD Property into a separate legal lot and MESD will execute an agreement to that effect with Reynolds contemporaneous with the assignment to Reynolds.

3.3. The parties hereto acknowledge that MESD has prepaid the Prepaid Rent (as defined in the MESD Sublease) under the MESD Sublease. MESD agrees that it is not entitled to reimbursement for any Prepaid Rent under the MESD Sublease. MESD shall not be required to pay Rent under the MESD Sublease to County or Reynolds or any other purchaser of the Property.

#### SECTION 4 AMENDMENT OF LEASE AGREEMENT AND SUBLEASES

The parties agree that this agreement modifies the terms of the Lease Agreement and the Counterpoint Sublease and the ECC Sublease.

#### SECTION 5 COOPERATION WITH SALE

As set forth above, the County intends to sell the Property along with other adjacent property. The Trust and Morrison agree to cooperate with the County in this sale by

## EXHIBIT

providing information reasonably available to the Trust or Morrison regarding the Property reasonably requested by the County, within ten (10) days of the County's written request. The Trust and Morrison further agree to exercise best efforts to provide to the County within thirty (30) days of the execution of this Agreement all material documents, reports, correspondence and related items in their possession used in the operation and maintenance of the property, including, but not limited to: environmental and asbestos reports; property surveys and certificates of occupancy for the structures on the Property; copies of reports and/or specifications for any major maintenance or repair work performed in excess of \$10,000 in a single system or incident since June 1, 2005; wetlands reports or analysis; soils or geotechnical reports; copies of any correspondence from city, state or other applicable jurisdiction relating to the Property; copies of any improvement plans, including utilities, civil and landscaping details; copies of any covenants, conditions and restrictions and any site planning guidelines; and any other business documents or records with respect to the material operation of the Property. The Trust and Morrison also agree to allow prospective purchasers and their agents to inspect the Property and to perform tests upon the Property so long as the County gives at least three (3) business days advance notice of the inspection, the testing occurs pursuant to a plan which the Trust and Morrison have approved (which approval will not be unreasonably withheld) and the party conducting the testing has provided evidence of reasonable insurance, insuring the Trust and Morrison as additional insureds, and agrees in writing to indemnify and hold the Trust and Morrison harmless from any injury, damage or liability relating to or resulting from the acts or omissions of the prospective purchaser or its agents.

### SECTION 6 CLOSING

6.1. At Closing of the sale to Reynolds, (the "Closing"):

6.1.1. The County shall make the payments described in Section 2.

6.1.2. If requested by the County, the Trust and Morrison will execute and deliver to the County a statutory quitclaim deed quitclaiming any interest in the Property to the County.

6.1.3. The County shall convey the MESD Property in accordance with Section 3.2, or if the MESD Property has not been divided from the Property as a separate legal lot and

## EXHIBIT

conveyed to MESD in accordance with Section 3.2, County and Reynolds will execute and deliver to MESD an assignment and assumption of the MESD Sublease, as a direct lease, as described in Section 3.

6.2. Morrison agrees to pay for all common area maintenance charges and all utility costs accrued through the Closing with respect to the use of the Property.

6.3. As a condition of Closing and payment of the Morrison Payment Amount and the Morrison Supplemental Payment, Morrison shall deliver to the County at Closing a termination of that Project Use Agreement between the State of Oregon and Morrison and recorded against the Property on May 21, 1997.

### SECTION 7 RIGHTS OF PARTIES UPON FAILURE TO CLOSE BY JUNE 30, 2007

7.1. If the sale to Reynolds fails to close by June 30, 2007, Payments to Morrison shall be made by County pursuant to Section 2.2.2.

7.2. Upon failure of the sale to Reynolds by June 30, 2007 County and Trust will make best efforts to sell the Property. County agrees that for a period of one year it will not sell the property for a sum less than \$4,450,000. Pending sale of the property under this Section, beginning July 1, 2007 until closing all rent due from Trust under the Lease Agreement shall be deferred.

7.3. At closing of the sale of the Property under this Section:

7.3.1. The Trust shall execute and deliver to the County the documents which Trust is required to provide under Section 6.1.2.

7.3.2. The Trust will be paid the net proceeds of the sale, if any, after payment to the County of the amounts described in Section 2.1 (but not it's subsections) plus rent deferred under this Section.

7.4. If the MESD Property has not been divided from the Property as a separate legal lot and conveyed to MESD in accordance with Section 3 hereof, County will assign to the

## **EXHIBIT**

purchaser of the Property and cause the purchaser of the Property to assume the MESD Sublease as a direct lease at closing of the sale of the Property.

### **SECTION 8 GENERAL PROVISIONS**

#### **8.1. Amendments.**

No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver is agreed to in writing and signed by the parties.

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The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, administrators, successors, and permitted assigns.

#### **8.3. Complete Agreement**

This Agreement constitutes the complete and final agreement between the parties with respect to the matters covered by this Agreement, and this Agreement supersedes and replaces all prior written or oral agreements on the same matter, except for the Lease Agreement, the Subleases and the Bond documents.

#### **8.4. Construction and Interpretation**

The use in this Agreement of the words "including," "such as," and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner, whether or not the language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather, shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated

## **EXHIBIT**

at arm's length, and this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

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This Agreement may be executed in any number of counterparts, each of which shall be an original of this Agreement and all of which shall be one agreement.

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An Event of Default shall occur if: A party fails to perform an obligation of such party set forth in this Agreement, the other party gives written notice of such failure, and the failure of performance is not cured within ten (10) days of such notice. If the failure of performance is such that it cannot be cured within such ten (10) days, then no default shall occur if the party commences to cure such a failure within such ten (10) day period of time and, thereafter, completely cures the failure as soon as is reasonably possible.

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Words that are capitalized and not the first word of a sentence are defined terms and shall have the meaning given them where they are first used and capitalized.

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This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

### **8.10. Headings**

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### 8.12. Remedies

In the case of an Event of Default, the non-defaulting party shall be entitled to each and every legal and equitable right and remedy as though each of those were fully set forth in this Agreement, including but not limited to, the remedy of specific performance.

### 8.13. Severability

If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

### 8.14. Time of Essence

Time is of the essence of the obligations of the parties under this Agreement.

### 8.15. Waiver

**EXHIBIT**

Failure of any party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Agreement shall be effective only if set forth in writing and signed by the party to be charged.

**8.16. Arbitration**

Arbitration Required. Any dispute or claim that arises out of or that relates to this Agreement or to the interpretation or breach thereof, or to the existence, scope, or validity of this Agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have executed this Lease and Sublease and Termination Agreement as of the date first above written.

County: MULTNOMAH COUNTY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Trust: THE CHILDREN'S LAND TRUST, Formerly known as Regional Children's Campus, Inc., an Oregon not -for-profit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT**

Morrison:

MORRISON CHILD AND FAMILY SERVICES  
an Oregon nonprofit corporation

By: \_\_\_\_\_  
Jay C. Bloom  
President and Chief Executive Officer

MESD:

MULTNOMAH EDUCATION SERVICE  
DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT**

**EXHIBIT A - Property Description**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 06-155**

Approving the Lease and Subleases Termination Agreement with the Children's Land Trust, Morrison Child and Family Services, and the Multnomah Education Service District at the Regional Children's Campus Property at Edgefield and Authorizing County Chair to Execute Appropriate Documents to Complete the Agreement

**The Multnomah County Board of Commissioners Finds:**

- a. By Resolution 05-131, dated July 28, 2005, the Multnomah County Board of Commissioners approved the sale of the Regional Children's Campus Property ("Property"), along with the Edgefield Property and the Multnomah County Correctional Facility, to the Reynolds School District and Michael R. McMenamin.
- b. The Property was leased by the County to the Children's Land Trust ("Trust") pursuant to a lease-purchase agreement in October 1998. The Trust subleased portions of the Property under two separate subleases currently held by Morrison Child and Family Services ("Morrison") which operates the Edgefield and Counterpoint programs for children at the Property. The Trust subleased a different portion of the Property to the Multnomah Education Service District ("MESD") in October 1998.
- c. Multnomah County issued bonds to provide financing for the construction of improvements on the Property ("Bonds").
- d. Multnomah County also leased the land and provided an infrastructure loan to the Trust.
- e. The Trust and Morrison also provided funds to be used to fund the construction of improvements on the Property.
- f. The terms of the attached Lease and Subleases Termination Agreement ("Agreement") allocate \$4,450,000 from the sale to Reynolds to the Property. The Agreement provides for payment to the County of all sums due the County from the Trust (including arrearages) with the balance paid to the Trust and Morrison as provided in the Agreement. The agreement further provides The County will also make a separate payment to Morrison in the sum of \$330,000 from sources other than the \$4,450,000 allocated to the Property. This payment will be paid \$300,000 from bond reserves and the balance from proceeds of the sale of other Edgefield properties.
- g. The terms of the proposed sale to the Reynolds School District approved by Resolution 05-131 require that the Property be unencumbered by leases or

subleases. The attached Agreement terminates the Trust lease and the Morrison subleases and modifies the MESD sublease to accommodate a Property sale, either through a lease or transfer and partition. Morrison will relocate the Counterpoint and Edgefield programs from the Property.

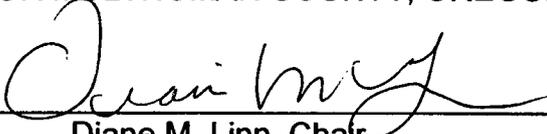
**The Multnomah County Board of Commissioners Resolves:**

1. It is in the best interests of the County to terminate the lease and subleases at the Property and to make the payments to Morrison and the Trust under the terms of the attached Agreement and as provided above.
2. The Chair is authorized to approve terms of a lease and subleases termination agreement substantively consistent with the attached Agreement and to execute all appropriate documents necessary to complete the transactions.

ADOPTED this 14th day of September, 2006.

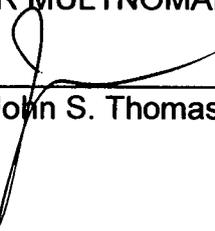


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Deputy County Attorney

**LEASE AND SUBLEASES  
TERMINATION AGREEMENT**

DATED: September \_\_\_\_, 2006

AMONG: MULTNOMAH COUNTY  
501 SE Hawthorne Street  
Portland, OR 97204 (the "County")

AND: THE CHILDREN'S LAND TRUST  
Formerly known as Regional Children's Campus, Inc.,  
an Oregon not-for-profit corporation  
c/o Janus Youth Programs, Inc.  
707 NE Couch Street  
Portland, OR 97232 (the "Trust")

AND: MORRISON CHILD AND FAMILY SERVICES,  
an Oregon nonprofit corporation  
1500 NE Irving Street, Suite 250  
Portland, OR 97232 ("Morrison")

AND: MULTNOMAH EDUCATION SERVICE DISTRICT ( "MESD")  
P.O. Box 301039  
Portland, OR 97294-9039

The County owns the real property described on attached Exhibit A (the "Property"). The County leased the Property to the Trust pursuant to that Lease Agreement dated as of October 1, 1998, as amended by a First Amendment dated May 21, 2001 and Second Amendment dated November 4, 2004 (the "Lease Agreement"). The Trust subleased a portion of the Property to Edgefield Children's Center, Inc., pursuant to a Sublease dated October 12, 1998 and Morrison is the successor in interest of the subtenant's interest in that Sublease (the "ECC Sublease"). The Trust subleased a different portion of the Property to Morrison pursuant to that Sublease dated October 12, 1998 (the "Counterpoint Sublease"). The Trust leased another property (the "MESD Property") to MESD pursuant to a Ground Sublease Agreement dated October 12, 1998 (the "MESD Sublease"). The above described subleases are collectively the "Subleases."

The County issued bonds to provide financing for the construction of improvements on the Property (the "Bonds"). The Trust and Morrison also provided funds to be used to fund the construction of improvements on the Property. Those improvements have been constructed.

The County and the Trust desire to sell the Property to the Reynolds School District ("Reynolds") and the County has entered into a Memorandum of Understanding for sale of the Property to Reynolds. The County and the Trust desire to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the sale to Reynolds. The Trust and Morrison are willing to terminate the Lease Agreement and the ECC Sublease and the Counterpoint Sublease upon the terms set forth in this Lease and Subleases Termination Agreement (the "Agreement").

Pursuant to the Lease Agreement, in the event the Lease Agreement is terminated, then County has agreed to recognize the MESD Sublease as a direct lease with County and, in that event, MESD has the option to purchase the MESD Property within 120 days after the Bonds have been paid in full for \$1 in accordance with the terms of Section 29 of the MESD Sublease.

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this Agreement, the parties agree as follows:

#### **SECTION 1 AGREEMENTS CONCERNING LEASE AND SUBLEASE TERMINATION**

1.1. Subject to the County's performance of its payment obligations set forth in Section 2, the Trust agrees to modify the Lease Agreement to provide for a termination date (the "Termination Date") of July 1, 2007 or such earlier date for the closing of sale of the Property to Reynolds as to which the parties may unanimously agree in writing ("Closing"). The Trust agrees that it will vacate possession of the Property and will cause Morrison (its sub-tenant) to vacate possession of the Property by the Termination Date. The Trust shall not be required to cause MESD to vacate possession of the MESD Property. As of the Termination Date, the Trust

and Morrison will have no claim to the Property or any of the improvements located on the Property. As of the Termination Date, the rights of MESD to the MESD Property shall be as described in Section 3 below.

1.2. Effective July 1, 2005, the rent owed by the Trust to the County under the Lease Agreement is the sum of \$24,115 per month. Under the terms of the Lease Agreement the Trust has been permitted to defer \$6,300 per month since July 1, 2005. The amount deferred equals \$75,600 as of June 30, 2006 and deferred rent will continue to accrue at \$6,300 per month until Closing. The accrued and accruing deferred rent is hereafter collectively referred to as the "Rent Deferral". At Closing the Rent Deferral will be deducted from the proceeds of the sale of the Property to be paid to the Trust and the Rent Deferral will be paid to the County. The Trust will continue to pay the rent of \$17,815 to the County, and Morrison (the Trust's subtenant) will continue to pay its monthly rent due under the Subleases of \$1,600 for the ECC Sublease and \$12,730 for the Counterpoint Sublease plus common area maintenance ("CAM") charges to the Trust until the Termination Date plus any past due unpaid CAM charges and CAM reconciliations required by the Subleases. Morrison shall be entitled to terminate the ECC Sublease or the Counterpoint Sublease, or both, upon at least 90 days advance written notice to the County and the Trust with an effective termination date between January 1, 2007 and July 1, 2007, but in no event later than the Termination Date (the "Sublease Termination Date"). The Trust shall no longer be obligated to pay rent under the Lease Agreement to the County to the extent that rent is not received from Morrison on any terminated Sublease as of the Sublease Termination Date. Morrison shall no longer be obligated to pay rent to the Trust under any terminated Sublease as of the Sublease Termination Date except to the extent of any then unpaid CAM charges. The rent and CAM charges due under any Sublease that has not been terminated will continue to be paid by Morrison to the Trust and by the Trust to the County. If Morrison elects to give written notice terminating any Sublease between January 1, 2007 and the Termination Date, then rent which Morrison was otherwise obligated to pay the Trust but for the notice of early termination (the "Early Termination Deferral") shall be deferred and shall be a credit to the County against payments owing to Morrison pursuant to Section 2.1.1.

1.3. Except as modified by preceding subsections, the Lease Agreement remains in full force and effect and is unmodified. The County hereby waives any claim that the Trust has

been or is currently in default of the terms of the Lease Agreement. The Trust agrees to perform in accordance with the terms of the Lease Agreement (as modified) and the County retains its remedies for any breach of the Lease Agreement by the Trust except as waived above.

1.4. The Trust hereby waives any claim to some or all of the cash held in any reserve accounts established and maintained pursuant to the Bonds and agrees that any funds held in such reserves belong to the County.

1.5. Upon the termination of the Subleases, any rent Morrison was obligated to pay but did not prior to June 30, 2005 shall be waived.

## SECTION 2 COUNTY PAYMENT OBLIGATIONS

2.1. The parties agree that a sale to Reynolds under the terms and conditions of the Memorandum of Understanding between the County and Reynolds will result in proceeds to the County from sale of the Property of \$4,450,000, less the prorated closing costs of selling the Property and less the then unpaid principal balance owed under the Bonds (\$1,965,000 as of June 30, 2006), the amount owing for the land under the Lease Agreement (\$289,724 as of June 30, 2006) and the amount owing for infrastructure improvements under the First Amendment to the Lease Agreement (\$206,184 as of June 30, 2006) and the Rent Deferral ("Net Leasehold Value"). The Trust shall pay that portion of the Closing cost equal to the Net Leasehold Value divided by the sale price to Reynolds for the total property being sold to Reynolds. The Bonds are payable in annual payments and accordingly, the principal balance owed under the Bonds is reduced annually. However, the Trust makes monthly rent payments which are accumulated to make the annual Bond payments. For purposes of this Section 2.1, as of the Termination Date, the unpaid principal balance due under the Bonds shall be reduced by the principal component of the next due annual Bond payment divided by 360 days and multiplied by the number of days between the Termination Date and the immediately preceding annual Bond payment date. The County agrees to make the following payments:

2.1.1. The County agrees to pay Morrison \$1,020,000, less the amount, if any, of the Early Termination Deferral (the "Morrison Payment Amount"). The County shall also make a supplemental payment to Morrison of \$330,000 from sources other than the Net Leasehold Value (the "Morrison Supplemental Payment"). The Morrison Payment Amount and the

Morrison Supplemental Payment are being paid to assist Morrison with the relocation of its social service programs to another facility, however the payments made to Morrison under this agreement may be used by Morrison for any purpose.

2.1.2. The County agrees to pay the Trust: the Net Leasehold Value, less the Morrison Payment Amount ("the Trust Payment Amount").

2.2. The Trust Payment Amount and the Morrison Payment Amount and the Morrison Supplemental Payment will be paid as follows:

2.2.1. Upon Closing, as defined below, the County shall pay the Trust Payment Amount, the Morrison Payment Amount and the Morrison Supplemental Payment in cash.

2.2.2. In the event that the Property has not been sold by June 30, 2007, then by July 16, 2007, the County shall nonetheless pay the Morrison Payment Amount and the Morrison Supplemental Payment in cash. As condition of such payments, Morrison shall deliver to the Trust (and provide evidence of such delivery to County) the termination of Project Use Agreement described in Section 6.3 below. If Morrison fails to deliver the termination of Project Use Agreement, the County may withhold from the payment to Morrison such sum as is necessary to satisfy the repayment obligation under the Project Use Agreement until such time as Morrison provides to the County either 1) the termination of Project Use Agreement, or 2) an agreement from the buyer of the Property, in a form acceptable to the County, delivered at the closing of the sale of the Property, releasing the County from any liability related to the Project Use Agreement. No interest shall be paid on the amount withheld.

2.3. In the event that the Property has not been sold by June 30, 2007, then no payment shall be due to the Trust and the rights and obligations of the County, the Trust and MESD shall be as provided in Section 7.

### SECTION 3 OBLIGATIONS WITH RESPECT TO MESD SUBLEASE

3.1. As of the Termination Date, the MESD Sublease shall be a direct lease with the County and Trust shall have no obligation to MESD under the MESD Sublease.

3.2. As soon as practical after execution of this Agreement and prior to Closing, MESD shall seek to cause the MESD Property to be divided from the Property as a separate legal lot. County will provide such cooperation as may be necessary to achieve the land division including, without limitation, executing any required application and testifying in favor of such land division. County will reimburse MESD for the costs to prepare and submit the application for a land division a sum not to exceed \$10,000 plus fees paid to the City of Troutdale, but County shall not be required to expend any other funds in furtherance of the approval process or for costs associated with the land division. MESD shall seek to obtain approval of the land division which will allow MESD to continue to use the existing sewer line. If MESD is not successful in obtaining such approval and construction of a separate sewer line to serve the MESD Property is required as a condition of approval, and if MESD determines to proceed with the land division, then MESD and Trust shall share the cost of the additional sewer line equally. The Trust's share shall be deducted from the Trust Payment Amount and paid to MESD at Closing (or at closing under Section 7 if the Closing fails to occur). MESD and Trust may modify the terms of this Section 3.2 as it relates to agreements between them without the consent or further agreement of the other parties to this agreement. In the event that MESD obtains the land division prior to Closing, County shall, on the Termination date (or as soon thereafter as MESD obtains the land division) convey the MESD Property to MESD in accordance with Section 29 of the MESD Sublease whether or not the bonds have been paid in full. In the event MESD determines prior to Closing that it is legally or economically impractical to create the MESD Property as a separate legal lot, County will assign to Reynolds and cause Reynolds to assume the MESD Sublease as a direct lease, effective at Closing and thereafter County shall have no obligation to MESD under the MESD Sublease. MESD agrees that upon assignment of the MESD Sublease to Reynolds, MESD shall be solely responsible for all costs related to any future land division of the MESD Property into a separate legal lot and MESD will execute an agreement to that effect with Reynolds contemporaneous with the assignment to Reynolds.

3.3. The parties hereto acknowledge that MESD has prepaid the Prepaid Rent (as defined in the MESD Sublease) under the MESD Sublease. MESD agrees that it is not entitled to reimbursement for any Prepaid Rent under the MESD Sublease. MESD shall not be required to pay Rent under the MESD Sublease to County or Reynolds or any other purchaser of the Property.

#### SECTION 4 AMENDMENT OF LEASE AGREEMENT AND SUBLEASES

The parties agree that this agreement modifies the terms of the Lease Agreement and the Counterpoint Sublease and the ECC Sublease, and Morrison and the Trust agree to execute and deliver to each other the First Amendments to Sublease attached as Exhibits B-1 and B-2 hereto contemporaneously with the full execution of this Agreement.

#### SECTION 5 COOPERATION WITH SALE

As set forth above, the County intends to sell the Property along with other adjacent property. The Trust and Morrison agree to cooperate with the County in this sale by providing information reasonably available to the Trust or Morrison regarding the Property reasonably requested by the County, within ten (10) days of the County's written request. The Trust and Morrison further agree to exercise best efforts to provide to the County within thirty (30) days of the execution of this Agreement all material documents, reports, correspondence and related items in their possession used in the operation and maintenance of the property, including, but not limited to: environmental and asbestos reports; property surveys and certificates of occupancy for the structures on the Property; copies of reports and/or specifications for any major maintenance or repair work performed in excess of \$10,000 in a single system or incident since June 1, 2005; wetlands reports or analysis; soils or geotechnical reports; copies of any correspondence from city, state or other applicable jurisdiction relating to the Property; copies of any improvement plans, including utilities, civil and landscaping details; copies of any covenants, conditions and restrictions and any site planning guidelines; and any other business documents or records with respect to the material operation of the Property. The Trust and Morrison also agree to allow prospective purchasers and their agents to inspect the Property and to perform tests upon the Property so long as the County gives at least three (3) business days advance notice of the inspection, the testing occurs pursuant to a plan which the Trust and Morrison have approved (which approval will not be unreasonably withheld) and the party conducting the testing has provided evidence of reasonable insurance, insuring the Trust and Morrison as additional insureds, and agrees in writing to indemnify and hold the Trust and Morrison harmless from any injury, damage or liability relating to or resulting from the acts or omissions of the prospective purchaser or its agents.

**SECTION 6 CLOSING**

6.1. At Closing of the sale to Reynolds, (the "Closing"):

6.1.1. The County shall make the payments described in Section 2.

6.1.2. If requested by the County, the Trust and Morrison will execute and deliver to the County a statutory quitclaim deed quitclaiming any interest in the Property to the County.

6.1.3. The County shall convey the MESD Property in accordance with Section 3.2, or if the MESD Property has not been divided from the Property as a separate legal lot and conveyed to MESD in accordance with Section 3.2, County and Reynolds will execute and deliver to MESD an assignment and assumption of the MESD Sublease, as a direct lease, as described in Section 3.

6.2. Morrison agrees to pay for all common area maintenance charges and all utility costs accrued through the Closing with respect to the use of the Property, but in no event shall such payments continue after July 1, 2007.

6.3. As a condition of Closing and payment of the Morrison Payment Amount and the Morrison Supplemental Payment, Morrison shall deliver to the County at Closing a termination of that Project Use Agreement between the State of Oregon and Morrison and recorded against the Property on May 21, 1997, or an agreement from Reynolds, in a form acceptable to the County, releasing the County from any liability related to the Project Use Agreement.

**SECTION 7 RIGHTS OF PARTIES UPON FAILURE TO CLOSE BY JUNE 30, 2007**

7.1. If the sale to Reynolds fails to close by June 30, 2007, Payments to Morrison shall be made by County pursuant to Section 2.2.2.

7.2. Upon failure of the sale to Reynolds by June 30, 2007 County and Trust will make best efforts to sell the Property. County agrees that for a period of one year it will not sell the property for a sum less than \$4,450,000. Pending sale of the property under this Section, beginning July 1, 2007 until closing all rent due from Trust under the Lease Agreement shall be deferred.

7.3. At closing of the sale of the Property under this Section:

7.3.1. The Trust shall execute and deliver to the County the documents which Trust is required to provide under Section 6.1.2.

7.3.2. The Trust will be paid the net proceeds of the sale, if any, after payment to the County of the amounts described in Section 2.1 (but not ~~its~~ subsections) plus rent deferred under this Section.

7.4. If the MESD Property has not been divided from the Property as a separate legal lot and conveyed to MESD in accordance with Section 3 hereof, County will assign to the purchaser of the Property and cause the purchaser of the Property to assume the MESD Sublease as a direct lease at closing of the sale of the Property.

## SECTION 8 GENERAL PROVISIONS

8.1. Amendments.

No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver is agreed to in writing and signed by the parties.

8.2. Binding Effect

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, administrators, successors, and permitted assigns.

8.3. Complete Agreement

This Agreement constitutes the complete and final agreement between the parties with respect to the matters covered by this Agreement, and this Agreement supersedes and replaces all prior written or oral agreements on the same matter, except for the Lease Agreement, the Subleases and the Bond documents.

8.4. Construction and Interpretation

The use in this Agreement of the words "including," "such as," and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner, whether or not the language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather, shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated at arm's length, and this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

#### 8.5. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original of this Agreement and all of which shall be one agreement.

#### 8.6. Default

An Event of Default shall occur if: A party fails to perform an obligation of such party set forth in this Agreement, the other party gives written notice of such failure, and the failure of performance is not cured within ten (10) days of such notice. If the failure of performance is such that it cannot be cured within such ten (10) days, then no default shall occur if the party commences to cure such a failure within such ten (10) day period of time and, thereafter, completely cures the failure as soon as is reasonably possible.

#### 8.7. Defined Terms

Words that are capitalized and not the first word of a sentence are defined terms and shall have the meaning given them where they are first used and capitalized.

#### 8.8. Exhibits

All exhibits attached to this Agreement are an integral part of this Agreement and are hereby incorporated by reference.

#### 8.9. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

#### 8.10. Headings

The headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

#### 8.11. Notices

All notices which are or may be given under the terms of this Agreement shall be in writing and sent to a party at its address first set forth above. A party may change its address for notices by a notice to the other parties. Notices may be given by hand delivery or U.S. certified mail, return receipt requested. Notices given by hand delivery shall be effective upon delivery to a party's address. Notices given by fax shall be effective upon electronic confirmation of transmittal by the sending fax machine. Notices given by certified mail shall be effective on the third business day after placement in the U.S. mail with postage prepaid.

#### 8.12. Remedies

In the case of an Event of Default, the non-defaulting party shall be entitled to each and every legal and equitable right and remedy as though each of those were fully set forth in this Agreement, including but not limited to, the remedy of specific performance.

#### 8.13. Severability

If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

#### 8.14. Time of Essence

Time is of the essence of the obligations of the parties under this Agreement.

#### 8.15. Waiver

Failure of any party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Agreement shall be effective only if set forth in writing and signed by the party to be charged.

#### 8.16. Arbitration

Arbitration Required. Any dispute or claim that arises out of or that relates to this Agreement or to the interpretation or breach thereof, or to the existence, scope, or validity of this Agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have executed this Lease and Sublease and Termination Agreement as of the date first above written.

County: MULTNOMAH COUNTY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Trust: THE CHILDREN'S LAND TRUST, Formerly  
known as Regional Children's Campus, Inc., an  
Oregon not -for-profit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Morrison: MORRISON CHILD AND FAMILY SERVICES  
an Oregon nonprofit corporation

By: \_\_\_\_\_  
Jay C. Bloom  
President and Chief Executive Officer

MESD: MULTNOMAH EDUCATION SERVICE  
DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY

By: \_\_\_\_\_  
John S. Thomas  
Deputy County Attorney

## EXHIBIT A

Parcel 3 of Partition Plat No. 1998-166 recorded in the Multnomah County Plat Records.

**Reserving, however, to Grantor, and Grantor's successor's and assigns, an easement to enter that portion of Grantee's property described below at such time as is determined by Grantor for the purpose of constructing a multilane arterial road, and creating, restoring, enhancing and repairing wetlands and riparian areas in the easement area. During the term of this easement, Grantor shall have the right, but not the obligation to maintain any wetland or riparian areas within the easement area. In conjunction with the performance of such work, Grantor shall have a right of access to the easement area across Grantee's property to perform work permitted by this easement. In the event of any damage to Grantee's property arising from any activity of Grantor pursuant to this easement, Grantor shall restore such property to the condition it was in prior to the damage. This easement shall terminate at the conclusion of any wetland and riparian area maintenance and establishment period required by regulatory agencies. Grantee shall not construct any improvements in easement area without approval of the County Engineer. The property subject to this easement is described as follows:**

All that portion of the following described strip of land lying within Parcel 1 of Partition Plat 1996-1, filed at Multnomah County Surveyors Office; being situated in the Southwest One-quarter of Section 26, T1N, R3E, Multnomah County, Oregon, being more particularly described as follows:

A strip of land 120 feet in width being 60 feet in width on each side of the following described centerline: Commencing at a : inch iron pipe being a Northeast corner of Parcel 1 of Partition Plat 1996-1, filed at the Multnomah County Surveyors Office; thence S79°06'00"W, a distance of 790.92 feet along the South right-of-way line of N.E. Halsey Street, County Road No. 1180, to a : inch iron pipe being a northwest corner of said Parcel 1, Partition Plat 1996-1, and also being 45.00 feet southerly, when measured at right angles to the centerline of said N.E. Halsey Street, also being the Point of Beginning of the centerline of the strip of land to be described; thence S67°56'16"E, a distance of 184.93 feet to a point; thence along the arc of a 2.00 foot radius tangent curve to the right, an arc length of 1.24 feet, through a central angle of 35°38'55", the chord of which bears S50°06'49"E, 1.22 feet, to a point; thence S32°17'21"E, a distance of 91.03 feet to a point; thence along the arc of a 2.00 foot radius tangent curve to the left, an arc length of 0.71 feet through a central angle of 20°19'21", the chord of which bears S42°27'02"E, 0.71 feet, to a point; thence S52°36'42"E, a distance of 133.49 feet to a point; thence along the arc of a 2.00 foot radius tangent curve to the left, an arc length of 1.49 feet, through a central angle of 42°40'55", the chord of which bears S73°58'10"E, 1.46 feet, to a point; thence N84°42'23"E, a distance of 116.63 feet to a point; thence along the arc of a 2.00 foot radius tangent curve to the right, an arc length of 2.94 feet, through a central angle of 84°14'49", the chord of which bears S53°10'13"E, 2.68 feet to a point; thence S11°02'48"E, a distance of 72.66 feet to a point; thence along the arc of a 1,576.27 foot radius tangent curve to the right, an arc length of 265.20 feet, through a central angle of 9°38'23", the chord of which bears S6°13'36"E, 264.89 feet to a point; thence S62°37'01"W, a distance of 563.08 feet to a point, being the terminus of the centerline of the strip being described.

Containing 170,000 square feet, more or less.

Reserving also to Grantor, and Grantor's successors and assigns, a permanent easement for the construction, reconstruction, operation and maintenance of drainage facilities over and across Tract 1 and Tract 2 described below. Grantee shall not construct any improvements in easement areas without approval of the County Engineer. The property subject to this easement is described as follows:

TRACT 1:

A tract of land situated in the Southwest One-quarter of Section 26, T1N, R3E, W.M., Multnomah County, Oregon, being more particularly described as follows:

Beginning at a : inch iron pipe with a yellow plastic cap inscribed Multnomah County Survey", being a Northwest corner of Parcel 1 of Partition Plat 1996-1, filed at the Multnomah County Surveyors Office, also being 45.00 feet southerly, when measured at right angles to the legal centerline station 312+33.30 of N.E. Halsey Street, County Road No. 1180; thence N79°06' E along the South right-of-way line of said N.E. Halsey Street, a distance of 81.36 feet to a point; thence S0°06' 02"E along a line being parallel to the West line of said Parcel 1, a distance of 62.23 feet to a point; thence N87°27' 18"W, a distance of 80.00 feet to a point on the West line of said Parcel 1; thence N0°06' 02"W along the West line of said Parcel 1, a distance of 43.29 feet to the Point of Beginning.

Containing 4,216 square feet, more or less.

TRACT 2:

A tract of land situated in the Southwest One-quarter of Section 26, T1N, R3E, W.M., Multnomah County, Oregon, being more particularly described as follows:

Commencing at a : inch iron pipe with a yellow plastic cap inscribed Multnomah County Survey", being a Northwest corner of Parcel 1 of Partition Plat 1996-1, filed at the Multnomah County Surveyors Office, also being 45.00 feet southerly, when measured at right angles to the legal centerline station 312+33.30 of N.E. Halsey Street, County Road No. 1180; thence N79°06' E along the South right-of-way line of said N.E. Halsey Street, a distance of 446.73 feet to a point; thence S11°02' 48"E, a distance of 243.42 feet to a point being the Point of Beginning of the tract to be described; thence continuing S11°02' 48"E, a distance of 60.30 feet to a point; thence S84°42' 23"W, a distance of 100.51 feet to a point; thence N11°02' 48"W, a distance of 60.30 feet to a point; thence N84°42' 23"E, a distance of 100.51 feet to the Point of Beginning.

Containing 6,030 square feet, more or less.

SUBJECT TO EASEMENTS, RESTRICTIONS, LIENS AND ENCUMBRANCES OF RECORD.

**FIRST AMENDMENT TO SUBLEASE  
(Counterpoint Sublease)**

**EFFECTIVE DATE:** May \_\_, 2006

**PARTIES:** Children's Land Trust, formerly known as  
Regional Children's Campus, Inc.  
707 NE Couch Street  
Portland, OR 97232 "Landlord"

Morrison Child and Family Services  
1500 NE Irving Street  
Suite 250  
Portland, OR 97232 "Tenant"

**RECITALS**

A. Landlord, as Landlord, and Tenant, as Tenant, entered into that certain Sublease Agreement, executed on or about October 12, 1998 (the "Sublease") with respect to certain Premises and Building located in Portland, Oregon, and more fully described therein.

B. The parties now desire to amend and modify the terms of the Sublease and make other accommodations as set out below.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**AGREEMENT**

A. Sublease Termination. A new Section 2.1 is added as follows:

"2.1 Early Termination by Tenant.

Notwithstanding the other provisions of Section 2 of the Sublease, Tenant may terminate the Sublease after December 31, 2006, and before July 1, 2007, by providing Landlord ninety (90) days' prior written notice.

2.2. Early Termination by Landlord.

Any other provision of the Sublease notwithstanding, the Sublease shall terminate July 1, 2007, unless earlier terminated.

B. Acknowledgement of Rent Paid Current. The parties hereby acknowledge that the following obligations have been fully paid and satisfied by Tenant: all Rents, additional Rents, CAM Charges, Tenant's Share of the Contract Price, interest, fees, administrative charges, penalties, and any other amounts due, claimed due or payable under the Sublease through April 30, 2006. In consideration of the covenants contained herein, Landlord hereby releases and waives any and all claims for any amounts alleged to be due from Tenant, including, without limitation, amounts due or claimed due, as set forth above, under the Sublease through April 30, 2006.

C. Termination of Purchase Option. Section 29 of the Sublease is hereby deleted. In consideration of the covenants contained herein, Tenant's right to purchase the Building is hereby terminated.

D. Undefined Terms. Capitalized terms used and not defined herein have the meaning ascribed in the Sublease.

E. Further Assurances. Each party shall, without expense to the other party, execute, acknowledge and deliver all further acts, conveyances or other documents as the other party shall from time to time reasonably require, to assure, convey, assign, transfer and confirm to the other party as may be necessary or prudent for carrying out the intention or facilitating the performance of the terms of this First Amendment to Sublease or for filing, recording or rerecording any necessary document.

F. No Other Amendment. This First Amendment amends the Sublease only to the extent provided herein. Except as amended herein, all terms of the Sublease remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed in duplicate effective on the day and year first above written.

**LANDLORD:** **CHILDREN'S LAND TRUST** formerly known as **REGIONAL CHILDREN'S CAMPUS, INC.,**  
an Oregon nonprofit corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:** **MORRISON CHILD AND FAMILY SERVICES,**  
an Oregon nonprofit corporation

By: \_\_\_\_\_

Jay C. Bloom  
President and Chief Executive Officer

PDX\_DOCS:370935.2 [35735-00200]

**FIRST AMENDMENT TO SUBLEASE  
(ECC Sublease)**

**EFFECTIVE DATE:** May \_\_, 2006

**PARTIES:** Children's Land Trust, formerly known as  
Regional Children's Campus, Inc.  
707 NE Couch Street  
Portland, OR 97232 "Landlord"

Morrison Child and Family Services,  
as successor to Edgefield Children's Center, Inc.  
1500 NE Irving Street  
Suite 250  
Portland, OR 97232 "Tenant"

**RECITALS**

A. Landlord, as Landlord, and Tenant, as Tenant, entered into that certain Sublease Agreement, executed on or about October 12, 1998 (the "Sublease") with respect to certain Premises and Building located in Portland, Oregon, and more fully described therein.

B. The parties now desire to amend and modify the terms of the Sublease and make other accommodations as set out below.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**AGREEMENT**

A. Sublease Termination. A new Section 2.1 is added as follows:

"2.1 Early Termination by Tenant.

Notwithstanding the other provisions of Section 2 of the Sublease, Tenant may terminate the Sublease after December 31, 2006, and before July 1, 2007, by providing Landlord ninety (90) days' prior written notice.

2.2. Early Termination by Landlord.

Any other provision of the Sublease notwithstanding, the Sublease shall terminate July 1, 2007, unless earlier terminated.

B. Acknowledgement of Rent Paid Current. The parties hereby acknowledge that the following obligations have been fully paid and satisfied by Tenant: (1) all Rents, additional Rents, CAM Charges, Tenant's Share of the Contract Price and any other amounts due, claimed due or payable under the Sublease through April 30, 2006; and (2) all amounts due or claimed due from Tenant or previously released by Landlord pursuant to a Letter of Intent dated June 30, 2000, between Landlord and Tenant (the "Letter of Intent"). In consideration of the covenants contained herein, Landlord hereby releases and waives any and all claims for any amounts alleged to be due from Tenant, including, without limitation (a) amounts due or claimed due, as set forth in Section B(1) above, under the Sublease through April 30, 2006; (b) amounts due, claimed due or previously released under the Letter of Intent; and (c) any claim that Tenant owes in excess of \$450,000, in unpaid rent or CAM Charges plus interest, fees, administrative charges and penalties, if any, to Landlord under the Sublease or otherwise.

C. Termination of Purchase Option. Section 29 of the Sublease is hereby deleted. In consideration of the covenants contained herein, Tenant's right to purchase the Building is hereby terminated.

D. Undefined Terms. Capitalized terms used and not defined herein have the meaning ascribed in the Sublease.

E. Further Assurances. Each party shall, without expense to the other party, execute, acknowledge and deliver all further acts, conveyances or other documents as the other party shall from time to time reasonably require, to assure, convey, assign, transfer and confirm to the other party as may be necessary or prudent for carrying out the intention or facilitating the performance of the terms of this First Amendment to Sublease or for filing, recording or rerecording any necessary document.

F. No Other Amendment. This First Amendment amends the Sublease and the Letter of Intent only to the extent provided herein. Except as amended herein, all terms of the Sublease and the Letter of Intent remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed in duplicate effective on the day and year first above written.

**LANDLORD:**                    **CHILDREN'S LAND TRUST formerly known as REGIONAL CHILDREN'S CAMPUS, INC., an Oregon nonprofit corporation**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**                    **MORRISON CHILD AND FAMILY SERVICES, an Oregon nonprofit corporation, as successor to Edgefield Children's Center, Inc., an Oregon nonprofit corporation**

By: \_\_\_\_\_

Jay C. Bloom  
President and Chief Executive Officer

PDX\_DOCS:370644.2 [35735-00100]



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

**Board Clerk Use Only**

**Meeting Date:** 09/14/06  
**Agenda Item #:** R-4  
**Est. Start Time:** 10:15 AM  
**Date Submitted:** 08/04/06

**BUDGET MODIFICATION:** -

**First Reading of an ORDINANCE Amending MCC Chapters 33, 34, 35, 36 and 37 to Allow for the Review and Approval of Certain Past "Unlawfully Divided" Lots and Parcels and to Allow for the Issuance of Certain Building Permits to be**

**Agenda Title: Considered Verification of Compliance with Zoning and Land Division Laws in the Determination of "Lots of Record"**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date Requested:</b> <u>September 14, 2006</u>	<b>Time Requested:</b> <u>15 minutes</u>
<b>Department:</b> <u>Community Services</u>	<b>Division:</b> <u>Land Use &amp; Transportation</u>
<b>Contact(s):</b> <u>Gary Clifford, Karen Schilling</u>	
<b>Phone:</b> <u>503-988-3043</u> <b>Ext.</b> <u>26782</u>	<b>I/O Address:</b> <u>455/116</u>
<b>Presenter(s):</b> <u>Gary Clifford</u>	

**General Information**

**1. What action are you requesting from the Board?**

Adopt proposed Ordinance. Planning Commission Resolution PC 04-007 (Part 1) recommends adoption of Zoning Code amendments that allow for the review and approval of certain past "unlawfully divided" lots and parcels and to allow for the issuance of certain building permits to be considered verification of compliance with zoning and land division laws in the determination of "Lots of Record."

**2. Please provide sufficient background information for the Board and the public to understand this issue.**

No building permit may be issued for development of a parcel of land that is not a "Lot of Record." A "Lot of Record" is a parcel of land that met all zoning and land division regulations at the time it was created (divided out of the parent parcel).

Zoning regulations and laws for dividing land have been constantly changing since the mid-1950s when Multnomah County first adopted ordinances regulating land use. The majority of those changes in the rural areas have been made in compliance with the State of Oregon Statewide Planning Goals and Administrative Rules.

During most of those fifty years, property owners could legally divide their property into two or three parcels by recording new deeds that described the new parcels. Unlike today's requirements, there was no requirement at that time for the land division to be reviewed for compliance with zoning laws. Verification that zoning and land division laws were met was delayed until a property owner applied for a building permit. Therefore, if a property owner chose not to contact the Planning and Zoning Office of Multnomah County when dividing property, then the determination that the divided parcel was not a "Lot of Record" may occur many years later. In these situations, often the discovery is made by an owner that is several owners after the owner that divided the property.

These proposed Zoning Code amendments do not grant "amnesty" to all "unlawfully divided" lots and parcels. However, it does give a chance to go back to the regulations in effect at the time of the original land division and allow a property owner to possibly get approval of the "unlawfully divided" parcel, with one important difference. That difference is for land divisions before 1994 the parcels are required to meet only the "density" requirements and not the "area" requirements of the time. The "density" requirement allows the creation of undersize parcels if the average size of all parcels created meets the minimum size requirement. For example, if the minimum parcel requirement in the past was 5 acres, then the past creation of a 4 acre parcel and a 6 acre parcel from an original 10 acre lot would meet the "density" requirement of 5 acres.

Also, from 1977 to 1993 most rural zoning districts included provisions regarding the ability to divide properties where the deed description included land on both sides of public roads and where a zoning district boundary crossed through a property. Those specialized provisions are no longer in the zoning code in compliance with state administrative rules. However, some divisions of properties during that time period missed being reviewed under some land division code requirements. In many situations this incomplete review can be characterized as primarily a procedural flaw, at no fault of the property owner.

The Planning Commission placed a high priority on finding a regulatory remedy for these "unlawfully divided" land division issues and saw a need to balance a sense of fairness, practicality, and recognition of legal standards that must also be met.

A related issue for which the Planning Commission sought improvement in the code involved the procedure for determining if a property was a "Lot of Record" when a building permit for development was issued in the past. In that situation, the Planning Commission found that the issuance of certain development permits should act as verification that all zoning and land division laws were met. There was no need for subsequent property owners to provide documentation regarding compliance with zoning and land division standards for the property for that date. It is also recommended by the Planning Commission that a "cut off" date of July 1, 1986 should be used for this provision because prior to that date Multnomah County was a full service building permit services provider and those are the permits which the county has the most confidence in for their use under this provision.

**3. Explain the fiscal impact (current year and ongoing).**

No fiscal impact seen.

**4. Explain any legal and/or policy issues involved.**

The provisions in this ordinance are innovative and in the forefront of addressing a statewide problem that is the result of increased minimum lot size requirements throughout the state.

The only other jurisdiction that has used this approach is Jackson County. This proposal builds on Jackson County's concepts by being more specific about the development standards to be evaluated and adding the road and zone boundary dividing a parcel situation.

The proposed code provision that allows certain building permits issued before July 1, 1986 to be used in the verification of a "Lot of Record" was drafted by working closely with the County Attorney staff. Staff was not able to find a similar approach to this issue used by any other jurisdiction. This approach is untested. However, the Planning Commission expressed the view this is a needed remedy to a problem for property owners that the county should adopt and not delay due to any legal uncertainties. Consultation with Department of Land Conservation and Development staff has given county staff confidence that the state agency does not object to this concept.

**5. Explain any citizen and/or other government participation that has or will take place.**

At the beginning of this code amendment project several property owners spoke before the Planning Commission regarding their difficulties with parcels that they purchased and then later discovered that the parcels were "unlawfully divided" years before their purchase.

The provisions in this ordinance were submitted to the State of Oregon Department of Land Conservation and Development and consultation took place between that state agency staff and the County Attorney's Office.

A public hearing was held before the Planning Commission where the public was invited to speak. Public notice in the Oregonian newspaper was given for all work sessions and public hearings. No citizen testified at the hearing. The vote for recommendation for approval to the Board was unanimous.

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**Required Signatures**

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**Department/  
Agency Director:**

*Robert A Maestre*

**Date:** 08/04/06

**Budget Analyst:**

**Date:**

**Department HR:**

**Date:**

**Countywide HR:**

**Date:**

BEFORE THE PLANNING COMMISSION  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. PC 04-007 (Part 1)**

Recommend to the Board of County Commissioners the adoption of an ordinance amending the land division and lot of record sections in MCC Chapters 33, 34, 35, 36 and 37 by adding provisions allowing the creation of certain unlawfully divided lots/parcels and providing for the issuance of certain building permits to be verification of "lots of record."

**The Planning Commission Finds:**

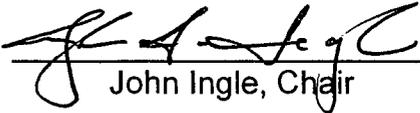
- a. The Planning Commission is authorized by Multnomah County Code Chapter subsection 34.0140 and by ORS 215.110 to recommend to the Board of County Commissioners the adoption of Ordinances to implement the Multnomah County Comprehensive Plan.
- b. The individual Zoning Code chapters should be periodically updated and improvements adopted. As part of that effort the Planning Commission sees an increasing need to provide a Zoning Code provision for approving certain lots and parcels that were unlawfully created in the past. In some circumstances the unlawful aspect of the parcel creation may have been only procedural flaws. However, increasing zoning standards such as minimum parcel size usually prevent approving these parcels under current standards.
- c. Another related problem is the difficulty in some situations to verify that a parcel is a "lot of record" by bringing together evidence that all land division and zoning laws were met at the time that the parcel was created. Sometimes there is a dwelling on the property that was built under a valid building permit issued by the County. The Planning Commission finds that certain building permits should be considered to be verification that the parcel was considered to be a "lot of record" on the date the permit was issued.
- d. The proposed code amendments should serve to provide needed relief and fairness to correcting some situations related to certain past land divisions and the evidence required to verify lots of record.
- e. No regulations are being proposed that further restrict the use of property and no mailed notice to individual property owners is required ("Ballot Measure 56" notice).
- f. Notice of the Planning Commission hearing was published in the "Oregonian" newspaper and on the Land Use Program web site. The Planning Commission held a public hearing on March 6, 2006 where all interested persons were given an opportunity to appear and be heard.

**The Planning Commission Resolves:**

The proposed Ordinance amending MCC Chapters 33, 34, 35, 36 and 37 is hereby recommended for adoption by the Board of County Commissioners.

ADOPTED this 6th day of March, 2006.

PLANNING COMMISSION  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
John Ingle, Chair

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**ORDINANCE NO. \_\_\_\_\_**

Amending MCC Chapters 33, 34, 35, 36, And 37 To Allow For The Review And Approval Of Certain Past “Unlawfully Divided” Lots And Parcels And To Allow For The Issuance Of Certain Building Permits To Be Considered Verification Of Compliance With Zoning And Land Division Laws In The Determination Of “Lots Of Record”

(Language ~~stricken~~ is deleted; double underlined language is new.)

**The Multnomah County Board of Commissioners Finds:**

- a. Since 1975 the zoning requirements in the rural areas of Multnomah County have over time required an increasing amount of acreage for the creation of new parcels of land. This requirement has been part of the statewide planning program to protect farm and forest lands for resource production and to guide most new development to areas inside the Urban Growth Boundary.
- b. Those increasing minimum parcel acreages in the rural areas have resulted in situations for some property owners where the minimum standard has changed, for example, from minimum lot size requirements of two acres (1958) to twenty acres (1970) to nineteen acres with farm management plan (1980) to 38 acres with farm management plan (1990) to eighty acres (1993). During that time there have also been a number of changes in other approval criteria and review process.
- c. To be eligible for development, all lots and parcels must be “Lots of Record” that met all zoning and land division requirements at the time they were created. If a lot or parcel created in the past did not meet all the zoning and land division regulations in effect at the time it was created, then the only remedy now is review under today’s zoning and land division standards. Due to the increasing lot size requirements, however, lots and parcels created prior to 1993 are seldom able to meet today’s minimum parcel requirements. A further complication to the ability to just combine the unlawfully divided parcels back into the original size and configuration of the prior lawful parcel is that most times the parcels are in different ownership, sometimes after several intervening ownerships. In addition, sometimes, in these situations there are houses on the unlawfully divided parcels and then the property owner’s increased investment is also subject to the uncertainties associated with the property not being a legal Lot of Record.
- d. Also, from 1977 to 1993 most rural zoning districts included provisions regarding the ability to divide properties where the deed description included land on both sides of public roads and where a zoning district boundary crossed through a property. Those specialized provisions are no longer in the zoning code in compliance with state administrative rules. However, some divisions of properties during that time period missed being reviewed under some land division code requirements. In many situations this incomplete review can be characterized as primarily a procedural flaw at no fault of the property owner.
- e. The Planning Commission placed a high priority on finding a regulatory remedy for these “unlawfully divided” land division issues and saw a need to balance a sense of fairness, practicality, and recognition of legal standards that must also be met.
- f. A related issue for which the Planning Commission sought improvement in the code involved the procedure for determining if a property was a Lot of Record when a building permit for new

development was issued in the past. In that situation, it is found that the issuance of certain development permits should act as verification that all zoning and land division laws were met and there was no need for subsequent property owners to provide additional documentation regarding compliance with zoning and land division standards for the property on that date. It is further found that the permits issued by Multnomah County when the county was a full service building permit services provider are the permits which the county has the most confidence in for their use under this provision.

- g. The provisions in this ordinance were submitted to the State of Oregon Department of Land Conservation and Development and there has been consultation with the staff of that state agency on the code provisions.
- h. It is in the public interest to adopt this ordinance to: (1) allow for the current review and approval of certain unlawfully divided lots/parcels under the standards in effect on the date the lots/parcels were originally divided, and (2) allow for the issuance of certain building permits before July 1, 1986 to be used as verification that a lot or parcel is a Lot of Record.

**Multnomah County Ordains as follows:**

**Section 1. §§ 33.0005, 34.0005, 35.0005, and 36.0005 are amended as follows:**

**§ 33.0005 Definitions.**

As used in this Chapter, unless the context requires otherwise, the following words and their derivations shall have the meanings provided below.

\* \* \*

**Lot of Record** – Subject to additional provisions within each Zoning District, a Lot of Record is a parcel, lot, or a group thereof that, which when created or and when reconfigured, (a) satisfied all applicable zoning laws and (b) satisfied all applicable land division laws, or (c) complies with the criteria for the creation of new lots or parcels described in MCC 33.7785. Those laws shall include all required zoning and land division review procedures, decisions, and conditions of approval.

\* \* \*

**§ 34.0005 Definitions.**

As used in this Chapter, unless the context requires otherwise, the following words and their derivations shall have the meanings provided below.

\* \* \*

**Lot of Record** – Subject to additional provisions within each Zoning District, a Lot of Record is a parcel, lot, or a group thereof that, which when created or and when reconfigured, (a) satisfied all applicable zoning laws and (b) satisfied all applicable land division laws, or (c) complies with the criteria for the creation of new lots or parcels described in MCC 34.7785. Those laws shall include all required zoning and land division review procedures, decisions, and conditions of approval.

\* \* \*

§ 35.0005 Definitions.

As used in this Chapter, unless the context requires otherwise, the following words and their derivations shall have the meanings provided below.

\* \* \*

**Lot of Record** – Subject to additional provisions within each Zoning District, a Lot of Record is a parcel, lot, or a group thereof ~~that, which~~ when created ~~or~~ ~~and~~ when reconfigured, (a) satisfied all applicable zoning laws and (b) satisfied all applicable land division laws, or (c) complies with the criteria for the creation of new lots or parcels described in MCC 35.7785. Those laws shall include all required zoning and land division review procedures, decisions, and conditions of approval.

\* \* \*

§ 36.0005 Definitions.

As used in this Chapter, unless the context requires otherwise, the following words and their derivations shall have the meanings provided below.

\* \* \*

**Lot of Record** – Subject to additional provisions within each Zoning District, a Lot of Record is a parcel, lot, or a group thereof ~~that, which~~ when created ~~or~~ ~~and~~ when reconfigured, (a) satisfied all applicable zoning laws and (b) satisfied all applicable land division laws, or (c) complies with the criteria for the creation of new lots or parcels described in MCC 36.7785. Those laws shall include all required zoning and land division review procedures, decisions, and conditions of approval.

\* \* \*

**Section 2.** Lot of Record §§ 33.2075 [CFU-1], 33.2275 [CFU-2], 33.2675 [EFU], 34.2675 [EFU], 35.2075 [CFU-3], 35.2675 [EFU], 36.2075 [CFU], and 36.2675 [EFU] are amended as follows:

(A) \* \* \*

(2) A group of *contiguous* parcels or lots:

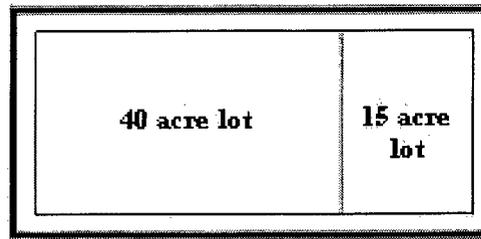
(a) Which were held under the *same ownership* on February 20, 1990; and

(b) Which, individually or when considered in combination, shall be aggregated to comply with a minimum lot size of 19 acres, without creating any new lot line.

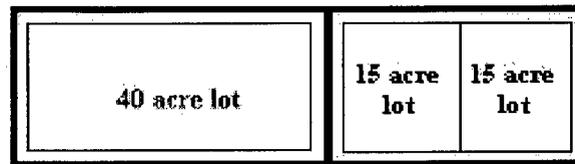
1. Each Lot of Record proposed to be segregated from the contiguous group of parcels or lots shall be a minimum of 19 acres in area using existing legally created lot lines and shall not result in any remainder individual parcel or lot, or remainder of contiguous combination of parcels or lots, with less than 19 acres in area. See Examples 1 and 2 in this subsection.

2. There shall be an exception to the 19 acre minimum lot size requirement when the entire same ownership grouping of parcels or lots was less than 19 acres in area on February 20, 1990, and then the entire grouping shall be one Lot of Record. See Example 3 in this subsection.

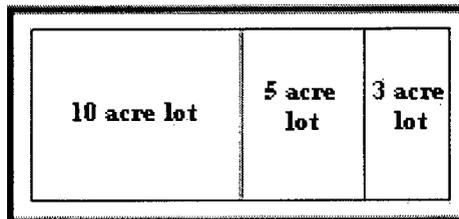
3. Three examples of how parcels and lots shall be aggregated are shown below with the solid thick line outlining individual Lots of Record:



**Example 1:**  
**One 55 acre Lot of Record**



**Example 2:**  
**One 40 acre Lot of Record and**  
**one 30 acre Lot of Record**



**Example 3:**  
**One 18 acre Lot of Record**

(3) Exceptions to the standards of (A)(2) above:

(a) Where two contiguous parcels or lots are each developed with a lawfully established *habitable dwelling*, the parcels or lots shall be Lots of Record that remain separately transferable, even if they were held in the *same ownership* on February 20, 1990.

(b) Where approval for a “Lot of Exception” or a parcel smaller than 19 acres under the “Lot Size for Conditional Uses” provisions has been given by the Hearing Authority and the parcel was subsequently lawfully created, then the parcel shall be a Lot of Record that remains separately transferable, even if the parcel was contiguous to another parcel held in the *same ownership* on February 20, 1990.

\* \* \*

(E) Issuance of building permit as verification of a Lot of Record.

(1) The issuance of a building permit described in this subsection for new development on a lot or parcel is considered verification of compliance with applicable zoning and land division regulations for the creation of a lawful lot or parcel. The lot or parcel described in the building permit is considered a Lot of Record if the building permit was issued prior to July 1, 1986 (date of intergovernmental agreement contracting for building permit services with other jurisdictions) and complies with all of the following:

(a) There is a copy of the building permit in the Multnomah County or City of Portland permit records and the building permit indicates that the proposed development complied with zoning and land division requirements; and

(b) The building permit was for a new principle use, such as a new dwelling, commercial, industrial, community service, or conditional use; and

(c) There is a clear property description on the permit for the property for which the building or placement permit was issued. The description may be confirmed by tax lot references, tax lot maps, site plans, or deeds recorded at the time.

(2) A request for verification that a lot or parcel is a Lot of Record under the provisions of this section (E) may be submitted to the Planning Director. A decision by the Planning Director is a ministerial action based upon the evidence described in this section. An appeal of the director's decision for verification of a Lot of Record shall be submitted under the provisions of MCC 37.0740.

**Section 3. § 35.2275 [CFU-4] is amended as follows:**

**§ 35.2275 Lot of Record**

(A) In addition to the *Lot of Record* definition standards in MCC 35.0005, for the purposes of this district a Lot of Record is either:

(1) A parcel or lot which was not contiguous to any other parcel or lot under the same ownership on February 20, 1990, or

(2) A group of contiguous parcels or lots:

(a) Which were held under the *same ownership* on February 20, 1990; and

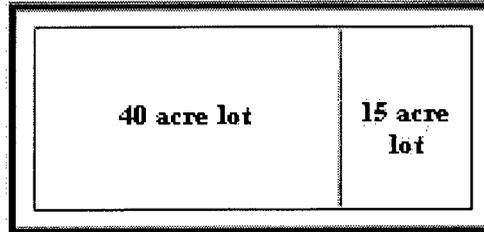
(b) Which, individually or when considered in combination, shall be aggregated to comply with a minimum lot size of 19 acres, without creating any new lot line.

1. Each Lot of Record proposed to be segregated from the contiguous group of parcels or lots shall be a minimum of 19 acres in area using existing legally created lot lines and shall not result in any remainder individual parcel or lot, or remainder of contiguous combination of parcels or lots, with less than 19 acres in area. See Examples 1 and 2 in this subsection.

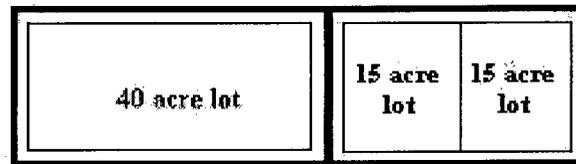
2. There shall be an exception to the 19 acre minimum lot size requirement when the entire same ownership grouping of parcels or lots was less than 19 acres in area on

February 20, 1990, and then the entire grouping shall be one Lot of Record. See Example 3 in this subsection.

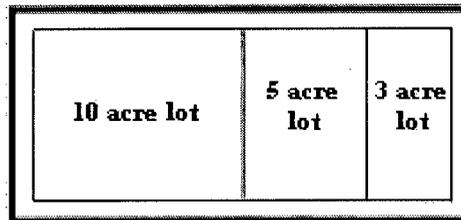
3. Three examples of how parcels and lots shall be aggregated are shown below with the solid thick line outlining individual Lots of Record:



**Example 1:  
One 55 acre Lot of Record**



**Example 2:  
One 40 acre Lot of Record and  
one 30 acre Lot of Record**



**Example 3:  
One 18 acre Lot of Record**

4. The requirement to aggregate contiguous parcels or lots shall not apply to lots or parcels within exception, urban, or Columbia River Gorge National Scenic Area zones (e.g. MUA-20, RR, RC, R-10, GGA-40), but shall apply to contiguous parcels and lots within all farm and forest resource zones (i.e. EFU and CFU), or

(3) A parcel or lot lawfully created by a partition or a subdivision plat after February 20, 1990.

(4) Exceptions to the standards of (A)(2) above:

(a) Where two contiguous parcels or lots are each developed with a lawfully established *habitable dwelling*, the parcels or lots shall be Lots of Record that remain separately transferable, even if they were held in the *same ownership* on February 20, 1990.

(b) Where approval for a “Lot of Exception” or a parcel smaller than 19 acres under the “Lot Size for Conditional Uses” provisions has been given by the Hearing Authority and the parcel

was subsequently lawfully created, then the parcel shall be a Lot of Record that remains separately transferable, even if the parcel was contiguous to another parcel held in the *same ownership* on February 20, 1990.

(c) Disaggregation of a Lot of Record for consideration of a new template or heritage tract dwelling may be allowed subject to the standards in (E) below.

\* \* \*

(F) Issuance of building permit as verification of a Lot of Record.

(1) The issuance of a building permit described in this subsection for new development on a lot or parcel is considered verification of compliance with applicable zoning and land division regulations for the creation of a lawful lot or parcel. The lot or parcel described in the building permit is considered a Lot of Record if the building permit was issued prior to July 1, 1986 (date of intergovernmental agreement contracting for building permit services with other jurisdictions) and complies with all of the following:

(a) There is a copy of the building permit in the Multnomah County or City of Portland permit records and the building permit indicates that the proposed development complied with zoning and land division requirements; and

(b) The building permit was for a new principle use, such as a new dwelling, commercial, industrial, community service, or conditional use; and

(c) There is a clear property description on the permit for the property for which the building or placement permit was issued. The description may be confirmed by tax lot references, tax lot maps, site plans, or deeds recorded at the time.

(2) A request for verification that a lot or parcel is a Lot of Record under the provisions of this section (E) may be submitted to the Planning Director. A decision by the Planning Director is a ministerial action based upon the evidence described in this section. An appeal of the director's decision for verification of a Lot of Record shall be submitted under the provisions of MCC 37.0740.

**Section 4. Lot of Record §§ 33.2475 [CFU-5], 33.2870 [MUA-20], 33.3170 [RR], 33.3370 [RC] 34.2870 [MUA-20], 34.3170 [RR], 34.3370 [RC] 35.2870 [MUA-20], 35.3170 [RR], 35.3370 [RC] 36.2870 [MUA-20], 36.3170 [RC], 36.3370 [PH-RC], 36.3470 [OR] and 36.3570 [OCII] are amended as follows:**

\* \* \*

(E) Issuance of building permit as verification of a Lot of Record.

(1) The issuance of a building permit described in this subsection for new development on a lot or parcel is considered verification of compliance with applicable zoning and land division regulations for the creation of a lawful lot or parcel. The lot or parcel described in the building permit is considered a Lot of Record if the building permit was issued prior to July 1, 1986 (date of intergovernmental agreement contracting for building permit services with other jurisdictions) and complies with all of the following:

(a) There is a copy of the building permit in the Multnomah County or City of Portland permit records and the building permit indicates that the proposed development complied with zoning and land division requirements; and

(b) The building permit was for a new principle use, such as a new dwelling, commercial, industrial, community service, or conditional use; and

(c) There is a clear property description on the permit for the property for which the building or placement permit was issued. The description may be confirmed by tax lot references, tax lot maps, site plans, or deeds recorded at the time.

(2) A request for verification that a lot or parcel is a Lot of Record under the provisions of this section (E) may be submitted to the Planning Director. A decision by the Planning Director is a ministerial action based upon the evidence described in this section. An appeal of the director's decision for verification of a Lot of Record shall be submitted under the provisions of MCC 37.0740.

**Section 5. §§ 33.7780, 34.7780, 35.7780 and 36.7780 are amended as follows:**

**§ 33.7780 Category 4 Land Division**

Partitions not listed in MCC 33.7770 to 33.7775 are designated Category 4 Land Divisions.

(A) The Planning Director may approve a Category 4 Land Division based on a finding that the proposed parcels comply with the area and dimensional requirements of the zoning district in which the land division site is located and the tentative plan complies with the following approval criteria:

(1) MCC 33.7890 Land Suitability, 33.7895 Lots and Parcels, 33.7930 Sidewalks, Pedestrian Paths and Bikeways, 33.7935 Easements, 33.7950 Water System, 33.7955 Sewage Disposal, 33.7960 Surface Drainage, and 33.7965 Electrical and Other Wires;

(B) Notwithstanding (A) above, compliance with the area and dimensional requirements of the zoning district is not required to approve a lot or parcel that was unlawfully divided prior to January 27, 1994, as provided in MCC 33.7785(A). The applicable approval criteria are those listed in MCC 33.7785(A) and 33.7935 Easements, 33.7950 Water System, 33.7955 Sewage Disposal, and 33.7960 Surface Drainage.

(BC) The procedure and forms for review and approval of a Category 4 Land Divisions shall be as provided for by the Planning Director. The contents of the tentative plan shall include those maps, written information and supplementary material listed for contents of a Category 3 tentative plan in MCC 33.7860 that are determined by the Planning Director to be adequate to demonstrate compliance with the applicable approval criteria.

**§ 34.7780 Category 4 Land Division**

Partitions not listed in MCC 34.7770 to 34.7775 are designated Category 4 Land Divisions.

(A) The Planning Director may approve a Category 4 Land Division based on a finding that the proposed parcels comply with the area and dimensional requirements of the zoning district in which the land division site is located and the tentative plan complies with the following approval criteria:

(1) MCC 34.7890 Land Suitability, 34.7895 Lots and Parcels, 34.7930 Sidewalks, Pedestrian Paths and Bikeways, 34.7935 Easements, 34.7950 Water System, 34.7955 Sewage Disposal, 34.7960 Surface Drainage, and 34.7965 Electrical and Other Wires;

(B) Notwithstanding (A) above, compliance with the area and dimensional requirements of the zoning district is not required to approve a lot or parcel that was unlawfully divided prior to January 27, 1994, as provided in MCC 34.7785(A). The applicable approval criteria are those listed in MCC 34.7785(A) and 34.7935 Easements, 34.7950 Water System, 34.7955 Sewage Disposal, and 34.7960 Surface Drainage.

(C) The procedure and forms for review and approval of a Category 4 Land Divisions shall be as provided for by the Planning Director. The contents of the tentative plan shall include those maps, written information and supplementary material listed for contents of a Category 3 tentative plan in MCC 34.7860 that are determined by the Planning Director to be adequate to demonstrate compliance with the applicable approval criteria.

**§ 35.7780 Category 4 Land Division**

Partitions not listed in MCC 35.7770 to 35.7775 are designated Category 4 Land Divisions.

(A) The Planning Director may approve a Category 4 Land Division based on a finding that the proposed parcels comply with the area and dimensional requirements of the zoning district in which the land division site is located and the tentative plan complies with the following approval criteria:

(1) MCC 35.7890 Land Suitability, 35.7895 Lots and Parcels, 35.7930 Sidewalks, Pedestrian Paths and Bikeways, 35.7935 Easements, 35.7950 Water System, 35.7955 Sewage Disposal, 35.7960 Surface Drainage, and 35.7965 Electrical and Other Wires;

(B) Notwithstanding (A) above, compliance with the area and dimensional requirements of the zoning district is not required to approve a lot or parcel that was unlawfully divided prior to January 27, 1994, as provided in MCC 35.7785(A). The applicable approval criteria are those listed in MCC 35.7785(A) and 35.7935 Easements, 35.7950 Water System, 35.7955 Sewage Disposal, and 35.7960 Surface Drainage.

(C) The procedure and forms for review and approval of a Category 4 Land Divisions shall be as provided for by the Planning Director. The contents of the tentative plan shall include those maps, written information and supplementary material listed for contents of a Category 3 tentative plan in MCC 35.7860 that are determined by the Planning Director to be adequate to demonstrate compliance with the applicable approval criteria.

**§ 36.7780 Category 4 Land Division.**

Partitions not listed in MCC 36.7770 to 36.7775 are designated Category 4 Land Divisions.

(A) The Planning Director may approve a Category 4 Land Division based on findings that:

(1) The proposed parcels comply with the area and dimensional requirements of the zoning district in which the land division site is located; and

(2) The proposed parcels satisfy the applicable General Standards and Requirements of MCC 36.7885 through 36.7965.

(B) Notwithstanding (A) above, compliance with the area and dimensional requirements of the zoning district is not required to approve a lot or parcel that was unlawfully divided prior to January 27, 1994, as provided in MCC 36.7785(A). The applicable approval criteria are those listed in MCC 36.7785(A) and 36.7935 Easements, 36.7950 Water System, 36.7955 Sewage Disposal, and 36.7960 Surface Drainage.

(BC) The procedure and forms for review and approval of a Category 4 Land Divisions shall be as provided for by the Planning Director. The contents of the tentative plan shall include those maps, written information and supplementary material listed for contents of a Category 3 tentative plan in MCC 36.7860 that are determined by the Planning Director to be adequate to demonstrate compliance with the applicable approval criteria.

**Section 6. §§ 33.7785, 34.7785, 35.7785, and 36.7785, Creation of Lots and Parcels That Were Unlawfully Divided, are added as follows:**

**33.7785 Creation of Lots and Parcels That Were Unlawfully Divided**  
**34.7785 Creation of Lots and Parcels That Were Unlawfully Divided**  
**35.7785 Creation of Lots and Parcels That Were Unlawfully Divided**  
**36.7785 Creation of Lots and Parcels That Were Unlawfully Divided**

ORS 92.177 authorizes the County to approve an application to create new legal lots or parcels notwithstanding that less than all of the owners of the existing legal lot or parcel have applied for the approval. This Code section provides the mechanism to review and, based upon findings of compliance with specific approval criteria, to approve certain unlawfully divided lots or parcels. The review mechanism differs according to the date the unlawful lot or parcel was divided as provided in (A) and (B) below. For the purposes of this section, an “unlawfully divided” lot or parcel means a lot or parcel that, when divided, did not satisfy all applicable zoning and land division laws.

(A) An application to create a legal lot or parcel that was unlawfully divided before January 27, 1994 (eff. date of Mult. Co. Ord. 781) shall be a Category 4 Land Division and be reviewed as a Type II permit. In addition to the applicable Category 4 Land Division requirements, the application shall satisfy the following approval criteria:

(1) The lot or parcel either:

(a) Conforms to current dimensional, access and area standards,

(b) Conforms to the dimensional, access and density standards in effect when the lot or parcel was unlawfully divided, or

(c) The lot or parcel has a property line that is contiguous to a road, street or zone boundary that intersected the property and the applicable zoning district on the date the lot or parcel was unlawfully divided allowed a land division when a County-maintained road, street or zoning district boundary intersects a parcel of land. The zoning districts and effective dates that apply to this provision are as follows:

1. The Rural Center (RC), Rural Residential (RR), and Multiple Use Agriculture-20 (MUA-20) zoning districts on or after October 6, 1977 (eff. date of Mult. Co. Ord. 148) and before January 27, 1994;

2. The Multiple Use Forest-20 (MUF-20) zoning district on or after October 6, 1977 (eff. date of Mult. Co. Ord. 148) and before August 14, 1980 (eff. date of Mult. Co. Ord. 236); and

3. The Multiple Use Forest-19 (MUF-19) and Multiple Use Forest-38 (MUF-38) zoning districts on or after August 14, 1980 (eff. date of Mult. Co. Ord. 236) and before January 7, 1993 (eff. date of Mult. Co. Ord. 743).

(2) No subsequent division of the lot or parcel or a property line adjustment has occurred.

(3) The owner or applicant demonstrates that the resulting lot or parcel can physically accommodate a use allowed in the zone, including necessary facilities and utilities, in compliance with all applicable siting standards of this zoning code chapter.

(4) Practical physical access to the site currently exists from a public road or can be provided through an irrevocable easement or equivalent means. Practical physical access at a minimum must meet the standards of MCC 29.012 and allow emergency vehicle access to the building site.

(5) The application shall include a tentative plan consisting of maps, written information and supplementary material adequate to provide the information required for a Category 4 land division and, if found to comply with the applicable approval criteria, a partition plat or subdivision plat shall be submitted in accordance with the requirements of ORS Chapter 92.

(B) An application to create legal lots or parcels that were unlawfully divided on or after January 27, 1994 (effective date of Mult. Co. Ord. 781) shall be subject to current review procedures for a land division. The application shall satisfy the following approval criteria:

(1) The lot or parcel conforms to current zoning requirements, or

(2) An unlawfully divided lot or parcel may be approved notwithstanding the required dimensional, access, and area requirements, subject to the following:

(a) The lot or parcel has a property line that is contiguous to a road, street or zone boundary that intersected the property; and

(b) The applicable zoning district on the date the lot or parcel was unlawfully divided allowed a land division when a County-maintained road, street or zoning district boundary intersects a parcel of land. The zoning districts and effective dates that apply to this provision are the Rural Center (RC), Rural Residential (RR), and Multiple Use Agriculture-20 (MUA-20) zoning districts on or after January 27, 1994 (eff. date of Mult. Co. Ord. 781) and before October 4, 2000 (eff. date of "Rural Residential" amendments to OAR 660-004-0040).

(C) If an application for a legal lot or parcel is approved under this subsection, the date of creation of the lots and parcels shall be the date the Partition or Subdivision Plat is recorded.

**Section 7. § 37.0530, Summary of Decision Making Processes, is amended as follows:**

**§ 37.0530 Summary Of Decision Making Processes.**

The following decision making processes chart shall control the County's review of the indicated permits:

APPROVAL PROCESS					
Permit Type	I	II	III	IV	PC
Initial Approval Body	(Not a "land use decision")	(Planning Director)	(Hearings Officer)	(Planning Commission)	(Legislative)
***					
Lot of Record Verification/De termination		X			
***					

\*\*\*

**Section 8. § 37.0550, Initiation of Action, is amended as follows:**

**§ 37.0550 Initiation Of Action.**

Except as provided in MCC 37.0760, ~~33.7785, 34.7785, 35.7785, and 36.7785~~, Type I - IV applications may only be initiated by written consent of the owner of record or contract purchaser, or by a government agency that has the power of eminent domain. PC (legislative) actions may only be initiated by the Board, Planning Commission, or Planning Director.

**Section 9. § 37.0740, Interpretations, is amended as follows:**

**§ 37.0740 Interpretations and Requests for Lot of Record Verification.**

(A) The Planning Director has the authority to decide all questions of interpretation or applicability to specific properties of any provision of the comprehensive framework plan, rural area plan, or other land use code. Any interpretation of a provision of the comprehensive framework plan, rural area plan or other land use code shall consider applicable provisions of the comprehensive framework plan, rural area plan, and the purpose and intent of the ordinance adopting the particular code section in question.

(B) A person may specifically request an interpretation of a provision in the code. An application for an interpretation shall be processed as a Type II application. ~~The Planning Director may refuse to accept an application for an interpretation if:~~

(C) A person may request verification of the Lot of Record status of a lot or parcel. The application shall be processed as a Type II application.

(D) The Planning Director may refuse to accept an application for an interpretation or Lot of Record verification if:

(1) The Planning Director determines that the question presented or Lot of Record verification can be decided in conjunction with approving or denying a pending land use action application or if in the Planning Director's judgment the requested determination should be made as part of a decision on an application for a quasi-judicial land use or zone change permit not yet filed; or

(2) The Planning Director determines that there is an enforcement case pending in which the same issue necessarily will be decided.

~~(E) A determination by The the~~ Planning Director ~~determination to not to~~ accept an application under paragraph (B) or (C) of this section is not a land use decision and shall be the county's final decision.

FIRST READING:

September 14, 2006

SECOND READING AND ADOPTION:

September 21, 2006

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By Sandra N. Duffy  
Sandra N. Duffy, Assistant County Attorney

#1

MULTNOMAH COUNTY BOARD OF COMMISSIONERS  
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

\*\*\*This form is a public record\*\*\*

MEETING DATE: 9-14-06

SUBJECT: Ordinance Amending Code Relating to  
Unlawfully Divided Lots & Parcels

AGENDA NUMBER OR TOPIC: R.4

FOR: w/Revision AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: Leslie Newberry

ADDRESS: 34546 SE Carpenter Lane

CITY/STATE/ZIP: Gresham OR 97080

PHONE: DAYS: Cell 503-349-2727 EVES: \_\_\_\_\_

EMAIL: Leslienewberry@comcast.net FAX: \_\_\_\_\_

SPECIFIC ISSUE: our situation as it pertains to the  
ordinance & considered revisions.

WRITTEN TESTIMONY: include verbiage pertaining to dwellings (habitable)  
that may have pre-existed the issuance of permits by land use.  
Consider "parent properties" when unlawfully divided properties  
increase density, perhaps keeping "one" of them legal - especially  
if a habitable dwelling exists on it!

**IF YOU WISH TO ADDRESS THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#2

MULTNOMAH COUNTY BOARD OF COMMISSIONERS  
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

\*\*\*This form is a public record\*\*\*

MEETING DATE: 09/4/06

SUBJECT: LAND USE / ZONING  
R-4

AGENDA NUMBER OR TOPIC: MCC CHAPTERS 33 34 35 36 & 37

FOR:  AGAINST:  THE ABOVE AGENDA ITEM

NAME: THOMAS MASSON

ADDRESS: 28505 SE LUSTED RD

CITY/STATE/ZIP: GRESHAM OR

PHONE: DAYS: 503 663 6350 EVES: SAME

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

SPECIFIC ISSUE: LEGALIZE UNLAWFULLY CREATED LOTS

WRITTEN TESTIMONY: ORAL REQUESTED

**IF YOU WISH TO ADDRESS THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#3

MULTNOMAH COUNTY BOARD OF COMMISSIONERS  
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk  
\*\*\*This form is a public record\*\*\*

MEETING DATE: 09.14.06

SUBJECT: Land use

AGENDA NUMBER OR TOPIC: R-4

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: Debie Henkef

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_ DAYS: \_\_\_\_\_ EVES: \_\_\_\_\_

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

SPECIFIC ISSUE: \_\_\_\_\_

WRITTEN TESTIMONY: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**IF YOU WISH TO ADDRESS THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.



**MULTNOMAH COUNTY  
AGENDA PLACEMENT REQUEST**

**Board Clerk Use Only**

**Meeting Date:** 09/14/06  
**Agenda Item #:** R-5  
**Est. Start Time:** 10:20 AM  
**Date Submitted:** 08/16/06

**BUDGET MODIFICATION:** -

**Agenda Title:** **RESOLUTION Vacating a Portion of Perry-Emerson Road, a Public Road, Located in Unincorporated East Multnomah County, Pursuant to ORS 368.326 to 368.366**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date Requested:</b>	<u>September 14, 2006</u>	<b>Time Requested:</b>	<u>5 minutes</u>
<b>Department:</b>	<u>Community Services</u>	<b>Division:</b>	<u>Land Use &amp; Trans Program</u>
<b>Contact(s):</b>	<u>Robert Maestre</u>		
<b>Phone:</b>	<u>503-988-3712</u>	<b>Ext.</b>	<u>83712</u>
		<b>I/O Address:</b>	<u>455/2</u>
<b>Presenter(s):</b>	<u>Robert Maestre or Patrick Hinds</u>		

**General Information**

**1. What action are you requesting from the Board?**

The Land Use and Transportation Program recommends that the Board approve the attached Resolution vacating a portion of Perry-Emerson Road, a local Public Road, situated in East Multnomah County. A copy of the Petition is attached as Exhibit 1 to this Memorandum.

**2. Please provide sufficient background information for the Board and the public to understand this issue.**

Situated in the Southwest One-Quarter of Section 26, Township 1 North, Range 4 East, W.M., this road was created by a Quitclaim Deed, recorded on December 9, 1933, in Multnomah County Deed Records

This public road is not improved, and Multnomah County does not maintain this road. The area being considered for vacation is not being used for transportation purposes today.

The area being proposed for vacation is more particularly described in the Resolution.

The street vacation petition being considered today contains the acknowledgement and consent of

100% of the abutting and adjoining property owners, as defined by ORS 368.336. Title to the area being vacated will vest as provided by ORS 368.366(1)d.

**3. Explain the fiscal impact (current year and ongoing).**

None. These public roads are not maintained by Multnomah County. No public money is spent on these roadways. All costs associated with this vacation request are the responsibility of the petitioner.

**4. Explain any legal and/or policy issues involved.**

The County Road Official, as required by ORS 368.351(1), has reviewed the petition and finds that this road is no longer needed for public purposes and declares the vacation of this portion of Perry-Emerson Road, a public road, described in the petition to be in the public interest.

This proposed street vacation was initiated by a petition from an abutting property owner, which contains the consent of 100 percent of the remaining abutting property owners. Therefore, under ORS 368.351, the County may proceed to complete this vacation without additional notice and publication.

**5. Explain any citizen and/or other government participation that has or will take place.**

This is a citizen-initiated petition.

This road is located in an area of Multnomah County that is unincorporated. The proposed action is consistent with community involvement, development, and any applicable intergovernmental cooperation.

---

**Required Signatures**

---

**Department/  
Agency Director:**



**Date:** 08/10/06

**Budget Analyst:**

**Date:**

**Department HR:**

**Date:**

**Countywide HR:**

**Date:**

EXHIBIT 1

**Petition to Vacate a portion of N.E. Perry-Emerson Road**

July 14, 2006

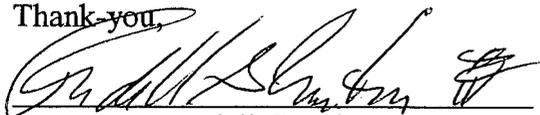
Patrick J. Hinds  
Program Manager  
Multnomah County Transportation  
1600 S.E. 190<sup>th</sup> Ave.  
Portland, OR. 97233

Dear Mr. Hinds,

Please accept this letter as my petition to vacate a portion of N.E. Perry-Emerson Road, situated on my property (Tax Lots 400, 500, and 600 1N4E26CA) in East Multnomah County.

1. The legal description of the portion of Perry-Emerson proposed for vacation, is described on the attached Exhibit "A" and shown on the attached Exhibit "A" map.
2. I would like this portion of the road vacated so that I build a garage in the area occupied by this road.
3. This portion of Perry-Emerson Road abuts and overlays property entirely owned by me. The Road currently terminates at my West property line, which is also the East property line of a parcel of land owned by Stanley E. and Christine M. Walker. The Walkers have signed and notarized a statement of acknowledgement and consent for the proposed vacation of Perry-Emerson Road.
4. There are no public utilities located within the area proposed for vacation.
5. There are no private improvements situated within this right of way.
6. This petition contains the acknowledged signatures of 100% of the owners of property abutting the area proposed for vacation.
7. I currently have no plans to subdivide or re-divide my property.

Thank you,



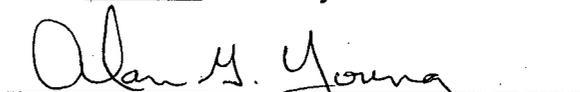
Fendall G. Winston, IV

STATE OF Oregon

County of MULTNOMAH

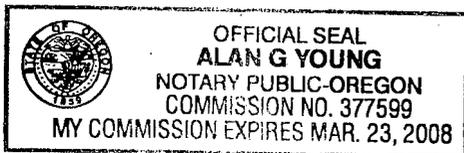
SIGNED BEFORE ME August 2, 2006, personally appeared the above named Fendall G. Winston, IV

who acknowledged the foregoing instrument to be a voluntary act. Before me:



Notary Public for said State

My Commission expires March 23, 2008

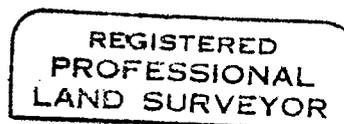


**EXHIBIT 'A'**

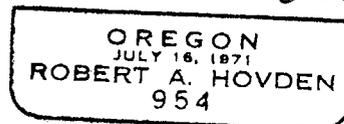
**Partial Vacation of Book 233, Page 289, December 9, 1933, Perry-Emerson Road**

That portion of the Perry-Emerson Road as described in Quitclaim Deed to the public recorded December 9, 1933 in Book 233, Page 289, Multnomah County Deed Records, lying between the West line of that certain tract of land conveyed to Fendall G. Winston IV by deed as described in Document No. 95-124791, Multnomah County Deed Records, and a line that bears N80°22'30"E and S80°22'30"W through angle point No. 12 of said Perry-Emerson Road, situated in the Southwest One-quarter of Section 26, T1N, R4E, W.M., Multnomah County, Oregon.

This vacation of dedication contains 5,165 square feet more or less.



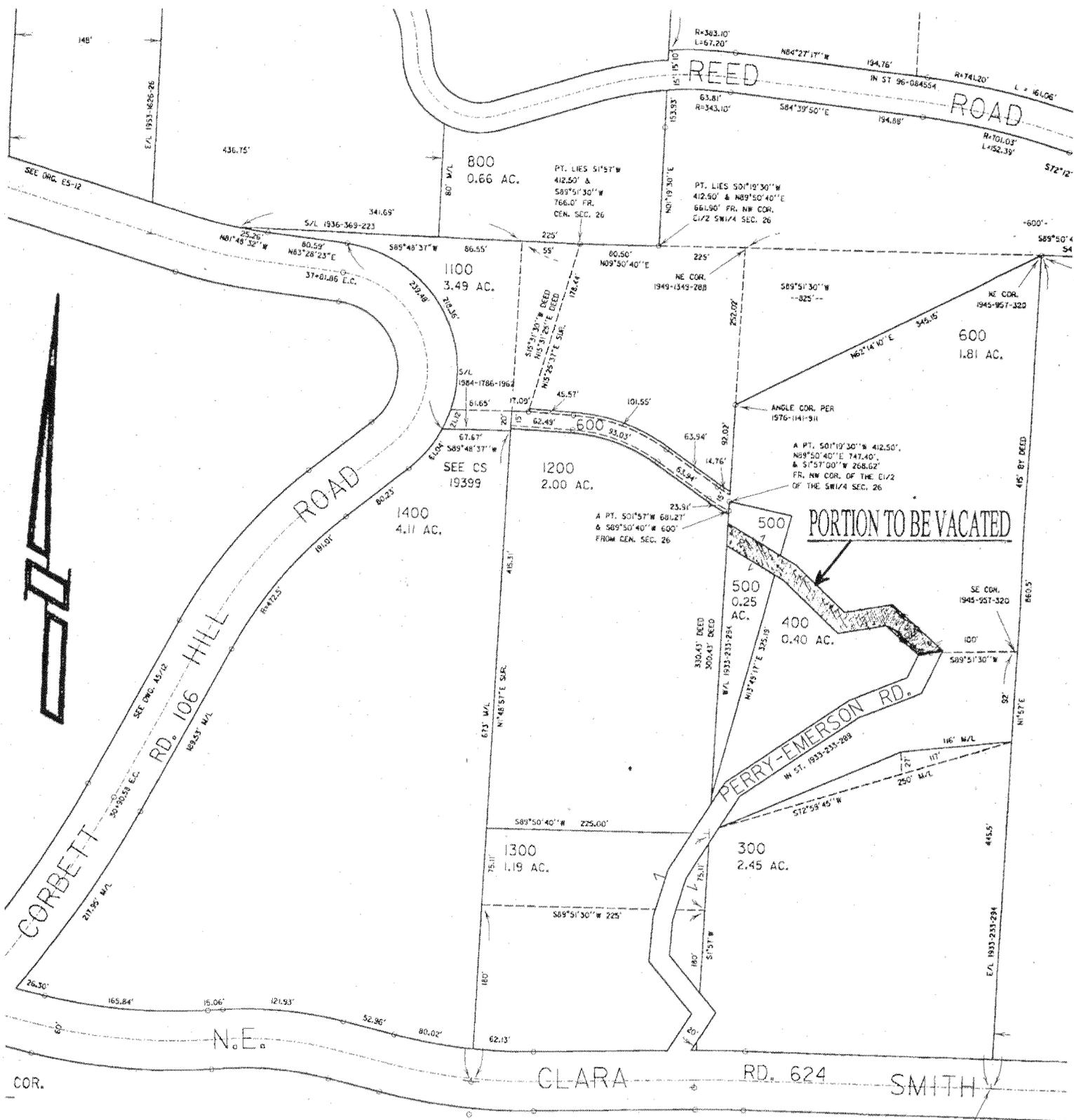
*Robert A. Hovden*



*RENEWS 7-01-2007*

As shown on the attached EXHIBIT MAP, herein made a part of this document. In the event of a conflict or discrepancy between the map as shown and the written legal description, the written legal description shall prevail.

# EXHIBIT MAP



NOT TO SCALE

PT. N1°57'E 660.5',  
S89°51'30"W 300',  
& N1°51'E 682.5' FR.  
1/4 COR. ON S/L SEC. 26

Mr. & Mrs. Stanley Walker  
2202 NE Corbett Hill Rd  
Corbett, Oregon 97019

December ~~1~~, 2005  
*February 2, 2006* *S.E.W.*  
*cmw*  
*(P)*

Mr. Patrick Hinds  
Multnomah County Transportation Division  
1600 SE 190<sup>th</sup> Ave  
Portland, Oregon 97233-5910

Dear Mr. Hinds,

We, Mr. And Mrs. Stanley Walker owners of the property (section 26 1N4E TL1200) at 2202 NE Corbett Hill Rd do hereby acknowledge and consent to the proposed vacation of Right-of-Way for an approximately 75 foot section of a 15 foot road (known as Perry Emerson road) located on a property (Section 26 1N4E TL 500) (at no address) adjacent and touching the eastern edge of our parcel. (See attached exhibits.)

This consent is based on the understanding that this vacation of Perry Emerson Road will result in no change in the area of our property (section 26 1N4E TL 1200)

ACCEPTANCE OF vacation of Right-of-way;

*Stanley E. Walker*

2-2-06

Stanley E. Walker, owner

Date

*Christine M. Walker*

2-2-06

*Christine* Christine M. Walker, owner

Date

AFFIDAVIT OF SIGNATURE  
State of Oregon  
County of Multnomah

THIS CERTIFIES that on this 2<sup>nd</sup> day of February A.D., 2005  
Before me the undersigned a Notary Public in and for said count and state, personally appeared the within  
named above, Who are \_\_\_\_\_ known to me to be the identical individual \_  
described in and who executed the within instrument, and acknowledged to me that \_\_\_\_\_  
executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal the day and year last above written.



*Tammy Krieger*  
Notary Public for Oregon  
My Commission Expires 7/4 2009

**INDIVIDUAL ACKNOWLEDGMENT**

State/Commonwealth of Oregon }  
County of Multnomah } ss.

On this the 2<sup>nd</sup> day of February, 2006, before  
me, Tammy Krieger, the undersigned Notary  
Name of Notary Public

Public, personally appeared Stanley E. Walker and  
Christine M. Walker Name(s) of Signer(s)

personally known to me - OR -

proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same for the purposes therein stated.

WITNESS my hand and official seal.

Tammy Krieger  
Signature of Notary Public

July 4, 2009  
Other Required Information (Printed Name of Notary, Residence, etc.)  
394477

Place Notary Seal and/or Any Stamp Above

**OPTIONAL**

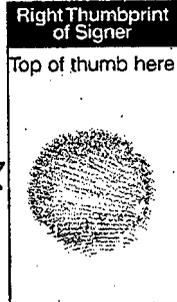
Although the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

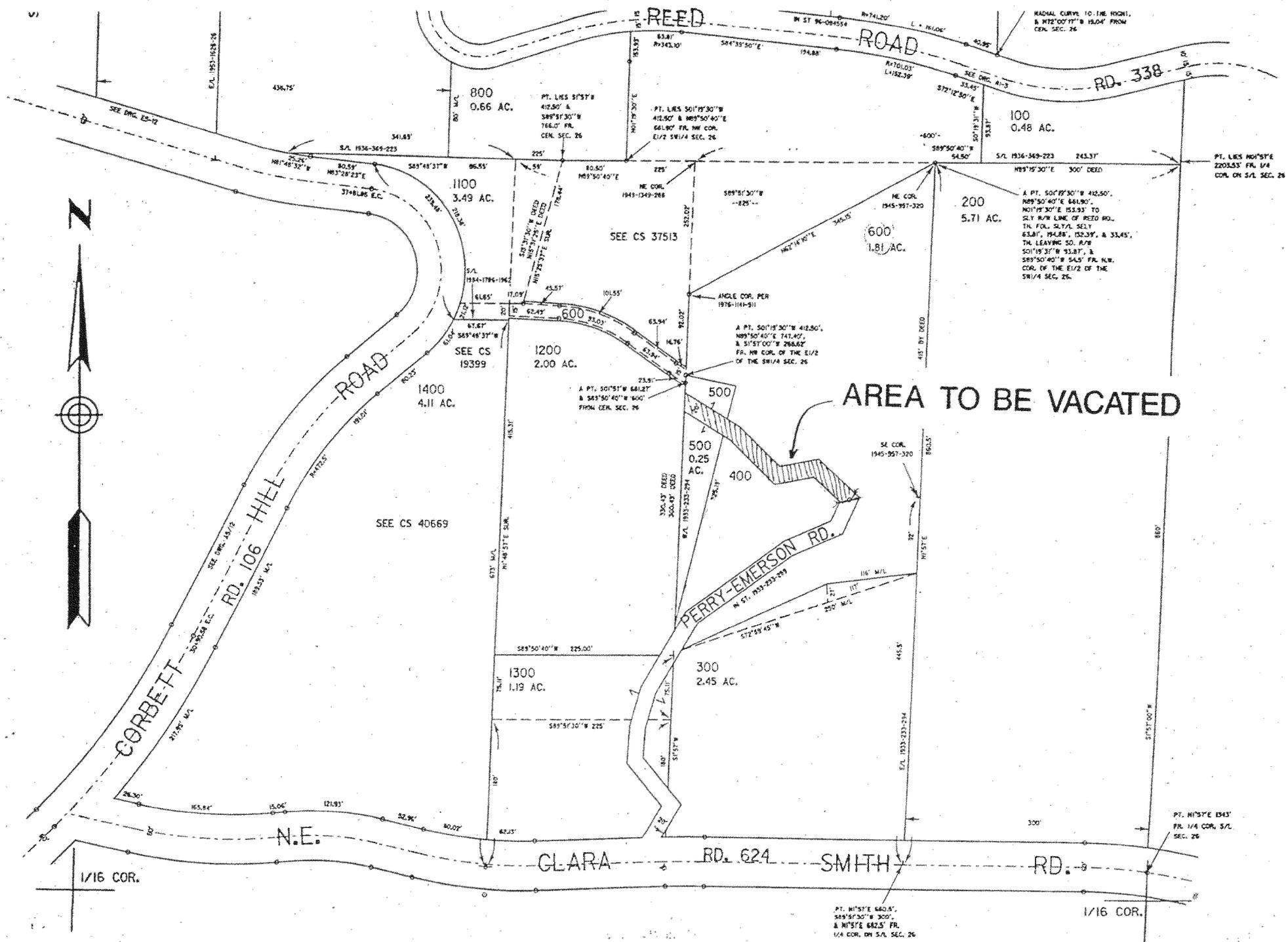
**Description of Attached Document**

Title or Type of Document: Vacation of Right-a-way

Document Date: 2/2/06 Number of Pages: 1

Signer(s) Other Than Named Above: \_\_\_\_\_





REED ROAD  
 RD. 338  
 RADIAL CURVE TO THE RIGHT, R=742.0', L=116.0', B=172.00', W=15.04' FROM CEN. SEC. 26

800  
 0.66 AC.

100  
 0.48 AC.

1100  
 3.49 AC.

200  
 5.71 AC.

SEE CS 37513

600  
 1.81 AC.

1200  
 2.00 AC.

AREA TO BE VACATED

1400  
 4.11 AC.

500  
 0.25 AC.

400

1300  
 1.19 AC.

300  
 2.45 AC.

CORBETT HILL  
 RD. 106

PERRY-EMERSON RD.

CLARA RD. 624 SMITH RD.



1/16 COR.

1/16 COR.

PT. N15°E 640.5', S45°E 30' W 300', & N15°E 622.5' FR. 1/4 COR. ON S/4 SEC. 26

PT. N15°E 643' FR. 1/4 COR. S/4 SEC. 26

N.E.

SEE DMC. E3-12

SEE CS 19399

SEE CS 40669

E/L 1951-1628-26

S/L 1936-369-223

S/L 1984-1796-1962

S.E. COR. 1945-957-320

M ST. 1903-233-259

E/L 1933-331-234

S/L 1936-369-223

PT. LIES N01°5'E 220.53' FR. 1/4 COR. ON S/4 SEC. 26

A PT. S01°05'30"W 412.50', N89°50'40"E 641.90', N01°15'30"E 153.93' TO SLY R/W LINE OF REED RD., TH. FOR. SLY R/W. SLY 63.81', 194.88', 152.35', & 33.45', TH. LEAVING SLY R/W S01°15'37"W 93.87', & S89°50'40"W 54.55' FR. N.W. COR. OF THE E/2 OF THE SW1/4 SEC. 26.

A PT. S01°15'30"W 412.50', N89°50'40"E 747.40', & S1°57'00"W 268.62' FR. N.W. COR. OF THE E/2 OF THE SW1/4 SEC. 26

A PT. S01°15'W 641.27' & S49°50'40"W 640' FROM CEN. SEC. 26

PT. LIES S01°15'30"W 412.50' & N89°50'40"E 641.90' FR. N.W. COR. E/2 SW1/4 SEC. 26

PT. LIES S1°15'W 412.50' & S89°57'30"W 766.07' FR. CEN. SEC. 26

SEE CS 37513 (repeated)

ANGLE COR. PER 1976-1141-911

S.E. COR. 1945-957-320 (repeated)

M ST. 1903-233-259 (repeated)

E/L 1933-331-234 (repeated)

S.E. COR. 1945-957-320 (repeated)

M ST. 1903-233-259 (repeated)

E/L 1933-331-234 (repeated)

S.E. COR. 1945-957-320 (repeated)

M ST. 1903-233-259 (repeated)

E/L 1933-331-234 (repeated)

S.E. COR. 1945-957-320 (repeated)

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. \_\_\_\_\_

Vacating A Portion Of Perry-Emerson Road, a Public Road, Located In Unincorporated East Multnomah County, Pursuant To ORS 368.326 To 368.366

**The Multnomah County Board of Commissioners Finds:**

- a. The portion of Perry-Emerson Road affected by this vacation was created by a Deed to the Public, recorded 1933, in Book 233, Page 289, Multnomah County Deed Records. This public road is unimproved.
- b. The portion of Perry-Emerson Road to be vacated is more particularly described in the attached Exhibit A to this Resolution.
- c. Multnomah County does not maintain or have plans to develop this portion of Perry Emerson Road.
- d. Mr. Fendall Winston, petitioner, has submitted a petition to vacate this public road; that is in compliance with ORS 368.341(3). A copy of the petition is attached as Exhibit 1 to the Agenda Placement Request Memorandum submitted to the Board in this matter on August 14, 2006.
- e. As allowed under ORS 368.351, the above referenced petition:
  - contains the acknowledged signatures of owners of 100 percent of any private property proposed to be vacated and acknowledged signatures of owners of 100 percent of property abutting any public property proposed to be vacated; and
  - indicates the owners' approval of the proposed vacation.
- f. In addition, the appropriate County Road Official has filed a written report pursuant to ORS 368.351(1) that contains an assessment that the proposed vacation of public property is in the public interest. (See Agenda Placement Request Memorandum.)
- g. Pursuant to ORS 368.351, the County may make a determination about this vacation without additional notice and publication required under ORS 368.346.
- h. The entire portion being vacated will remain subject to the rights of any existing public utility that has improvements located within the existing right of way.
- i. As required under MCC 27.054, the County has received a total of \$1265.00 from the petitioner, of which \$200.00 applies to the feasibility study that was performed by the County. The remaining \$1065.00 will be applied to the vacation proceeding. The total costs for this vacation, including administrative costs, are \$3,888.78. Administrative costs include staff time for research, review, analyses, advertising, and document preparation. The balance owed by the petitioner at the date of this hearing is \$2623.78.

- j. Vacation of the County's right-of-way interest in this property serves the public interest.

**The Multnomah County Board of Commissioners Resolves:**

1. Subject to the petitioner's payment of all funds due as provided under MCC 27.054, the portion of Perry-Emerson Road as more particularly described in the attached Exhibit A, is vacated as a public road, excepting the easement rights any existing utilities may have in the vacated property under ORS Chapter 368.
2. Pursuant to MCC 27.054, the total cost for this vacation proceeding incurred by the County is \$3,888.78, and Mr. Fendall Winston, the petitioner, is directed to pay the remaining amount of \$2623.78 to the County.
3. The Land Use and Transportation Program of the Department of Community Services will record and file this Resolution in accordance with ORS 368.356(3), only upon receipt of the total amount due under MCC 27.054.
4. Upon the recording and filing of this Resolution, the County Surveyor will mark the plat, if applicable, as provided under ORS 271.230.

ADOPTED this 14th day of September, 2006.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

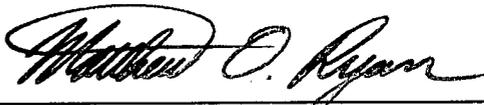
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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By

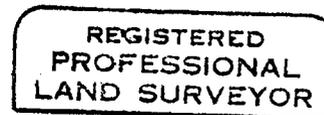
  
Matthew O. Ryan, Assistant County Attorney

**EXHIBIT 'A'**

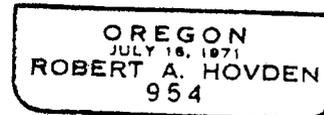
**Partial Vacation of Book 233, Page 289, December 9, 1933, Perry-Emerson Road**

That portion of the Perry-Emerson Road as described in Quitclaim Deed to the public recorded December 9, 1933 in Book 233, Page 289, Multnomah County Deed Records, lying between the West line of that certain tract of land conveyed to Fendall G. Winston IV by deed as described in Document No. 95-124791, Multnomah County Deed Records, and a line that bears N80°22'30"E and S80°22'30"W through angle point No. 12 of said Perry-Emerson Road, situated in the Southwest One-quarter of Section 26, T1N, R4E, W.M., Multnomah County, Oregon.

This vacation of dedication contains 5,165 square feet more or less.



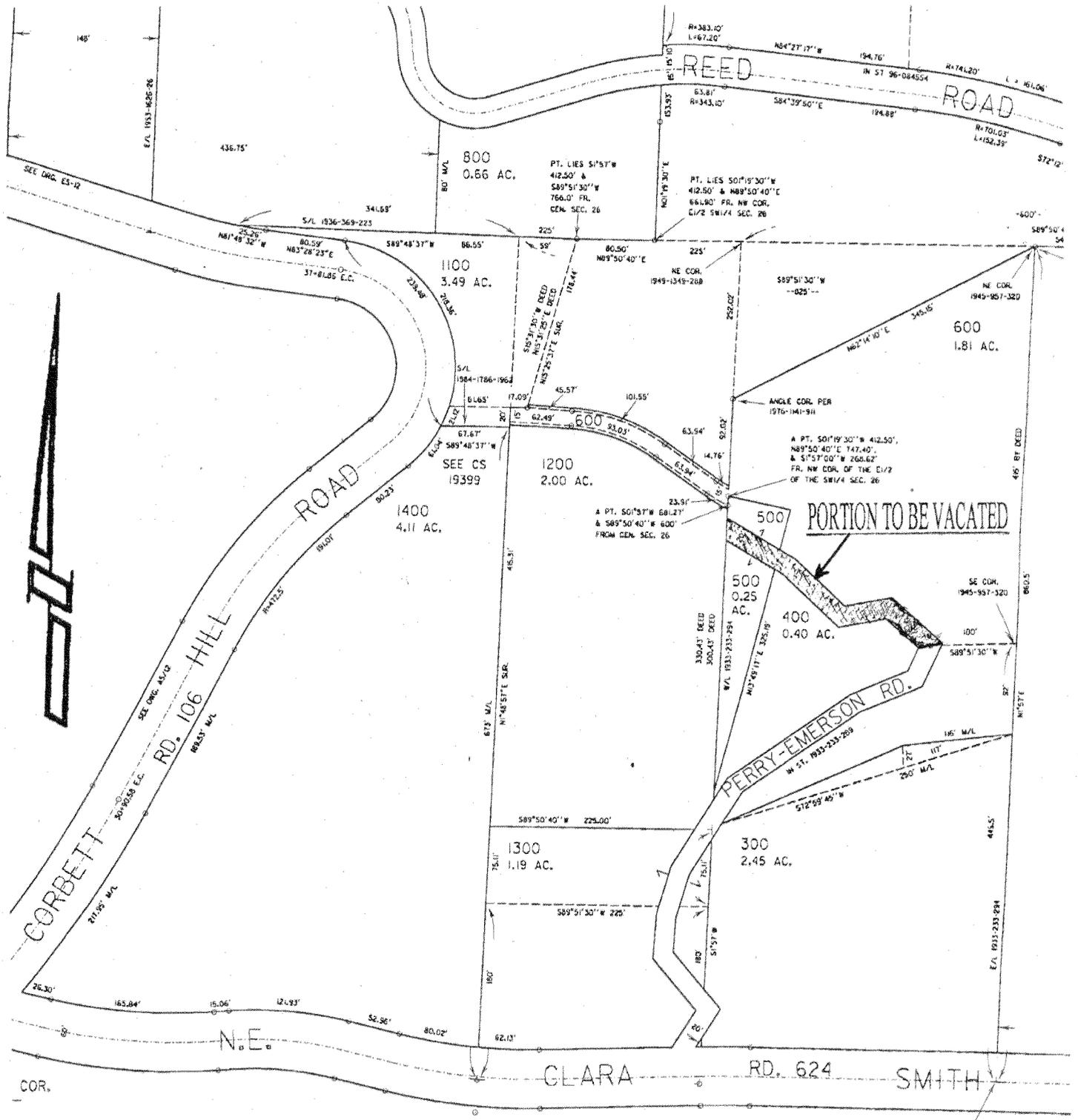
*Robert A. Hovden*



*RENEWS 7-01-2007*

As shown on the attached EXHIBIT MAP, herein made a part of this document. In the event of a conflict or discrepancy between the map as shown and the written legal description, the written legal description shall prevail.

# EXHIBIT MAP



NOT TO SCALE

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 06-156**

Vacating a Portion of Perry-Emerson Road, a Public Road, Located in Unincorporated East Multnomah County, Pursuant to ORS 368.326 to 368.366

**The Multnomah County Board of Commissioners Finds:**

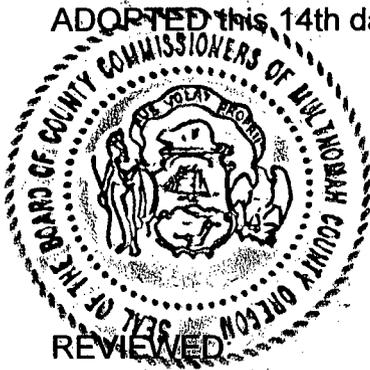
- a. The portion of Perry-Emerson Road affected by this vacation was created by a Deed to the Public, recorded 1933, in Book 233, Page 289, Multnomah County Deed Records. This public road is unimproved.
- b. The portion of Perry-Emerson Road to be vacated is more particularly described in the attached Exhibit A to this Resolution.
- c. Multnomah County does not maintain or have plans to develop this portion of Perry Emerson Road.
- d. Mr. Fendall Winston, petitioner, has submitted a petition to vacate this public road, that is in compliance with ORS 368.341(3). A copy of the petition is attached as Exhibit 1 to the Agenda Placement Request Memorandum submitted to the Board in this matter on August 14, 2006.
- e. As allowed under ORS 368.351, the above referenced petition:
  - contains the acknowledged signatures of owners of 100 percent of any private property proposed to be vacated and acknowledged signatures of owners of 100 percent of property abutting any public property proposed to be vacated; and
  - indicates the owners' approval of the proposed vacation.
- f. In addition, the appropriate County Road Official has filed a written report pursuant to ORS 368.351(1) that contains an assessment that the proposed vacation of public property is in the public interest. (See Agenda Placement Request Memorandum.)
- g. Pursuant to ORS 368.351, the County may make a determination about this vacation without additional notice and publication required under ORS 368.346.
- h. The entire portion being vacated will remain subject to the rights of any existing public utility that has improvements located within the existing right of way.

- i. As required under MCC 27.054, the County has received a total of \$1265.00 from the petitioner, of which \$200.00 applies to the feasibility study that was performed by the County. The remaining \$1065.00 will be applied to the vacation proceeding. The total costs for this vacation, including administrative costs, are \$3,888.78. Administrative costs include staff time for research, review, analyses, advertising, and document preparation. The balance owed by the petitioner at the date of this hearing is \$2623.78.
- j. Vacation of the County's right-of-way interest in this property serves the public interest.

**The Multnomah County Board of Commissioners Resolves:**

- 1. Subject to the petitioner's payment of all funds due as provided under MCC 27.054, the portion of Perry-Emerson Road as more particularly described in the attached Exhibit A, is vacated as a public road, excepting the easement rights any existing utilities may have in the vacated property under ORS Chapter 368.
- 2. Pursuant to MCC 27.054, the total cost for this vacation proceeding incurred by the County is \$3,888.78, and Mr. Fendall Winston, the petitioner, is directed to pay the remaining amount of \$2623.78 to the County.
- 3. The Land Use and Transportation Program of the Department of Community Services will record and file this Resolution in accordance with ORS 368.356(3), only upon receipt of the total amount due under MCC 27.054.
- 4. Upon the recording and filing of this Resolution, the County Surveyor will mark the plat, if applicable, as provided under ORS 271.230.

ADOPTED this 14th day of September, 2006.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

*Diane M. Linn*  
\_\_\_\_\_  
Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

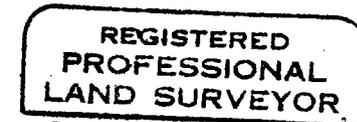
By *Matthew O. Ryan*  
\_\_\_\_\_  
Matthew O. Ryan, Assistant County Attorney

**EXHIBIT 'A'**

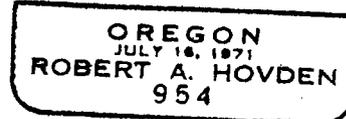
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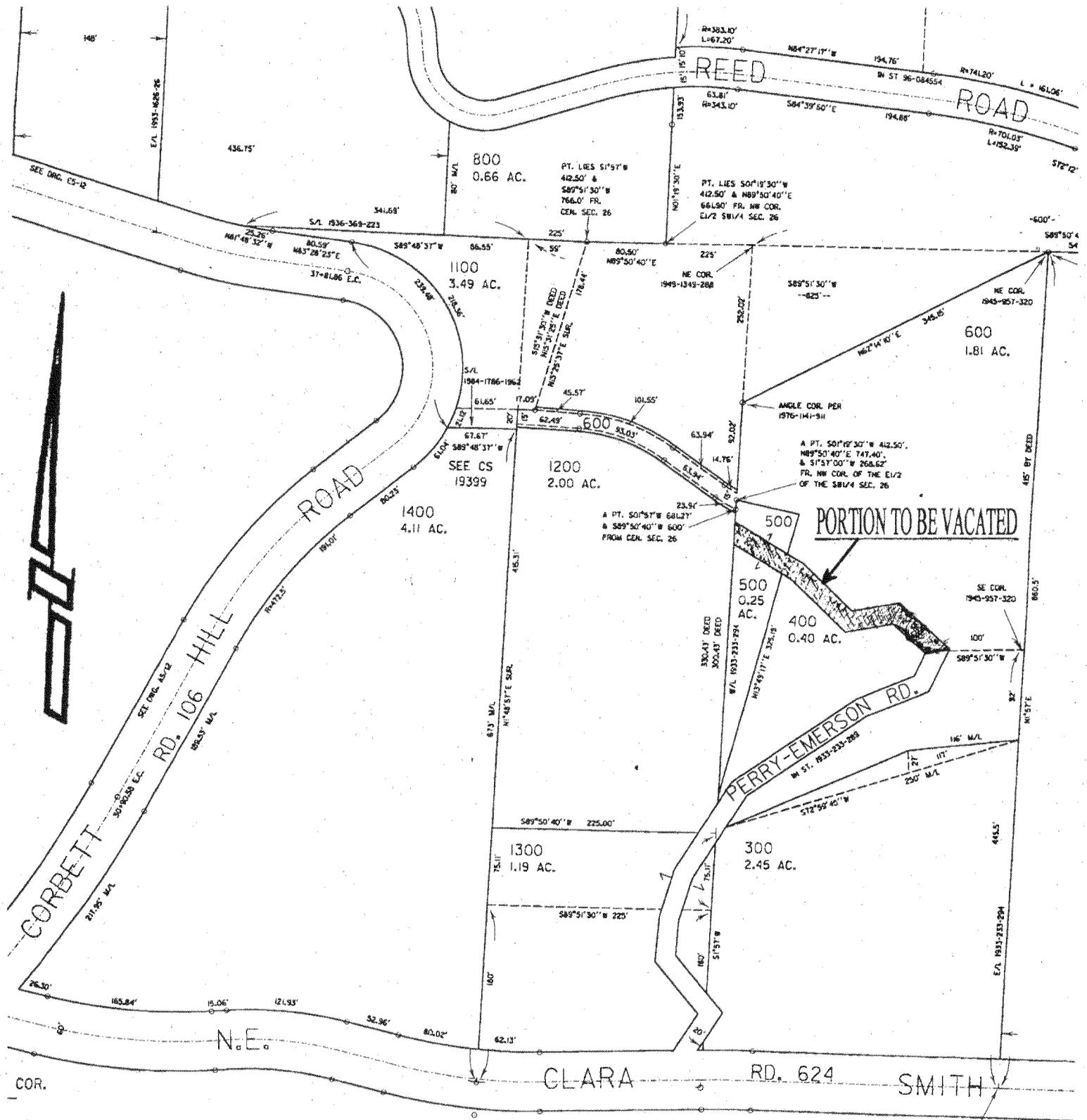
*Robert A. Hovden*



*RENEWS 7-01-2007*

As shown on the attached EXHIBIT MAP, herein made a part of this document. In the event of a conflict or discrepancy between the map as shown and the written legal description, the written legal description shall prevail.

# EXHIBIT MAP



NOT TO SCALE

PT. N1°57'E 660.5',  
S89°51'30\"/>



**MULTNOMAH COUNTY  
AGENDA PLACEMENT REQUEST**

**Board Clerk Use Only**

**Meeting Date:** 09/14/06  
**Agenda Item #:** R-6  
**Est. Start Time:** 10:25 AM  
**Date Submitted:** 08/21/06

**BUDGET MODIFICATION:** -

**Agenda Title:** **RESOLUTION Adopting Revised Public Contract Review Board Rules**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

**Date Requested:** September 14, 2006      **Time Requested:** 5 minutes  
**Department:** Dept. of County Management      **Division:** Finance & Risk Mgmt/CPCA  
**Contact(s):** Franna Hathaway  
**Phone:** 503-988-5111      **Ext.** 22378      **I/O Address:** 503/531  
**Presenter(s):** Franna Hathaway

**General Information**

1. **What action are you requesting from the Board?**  
Request approval of Resolution Adopting Revised Public Contract Review Board Rules.
2. **Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action effects and how it impacts the results.**  
In a continuing effort to provide a clear, effective and comprehensive procurement and contracting process it is necessary to make modifications, clarifications and minor corrections to the PCRB Rules.
3. **Explain the fiscal impact (current year and ongoing).**  
None
4. **Explain any legal and/or policy issues involved.**  
None
5. **Explain any citizen and/or other government participation that has or will take place.**  
None

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**Required Signatures**

---

**Department/  
Agency Director:**

*Carol M. Ford*  
\_\_\_\_\_  
/MH

**Date:** 08/21/06

**Budget Analyst:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Department HR:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Countywide HR:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. \_\_\_\_\_

Resolution Adopting Revised Public Contract Review Board Rules

**The Multnomah County Board of Commissioners Finds:**

- a) In 2003 the legislature enacted a new Public Contracting Code which became effective March 1, 2005.
- b) In response to the enactment of the new Code, on February 24, 2005 the Board adopted new PCRFB Rules in lieu of the Attorney General Model Rules.
- c) Subsequent to adoption of the new PCRFB Rules the legislature amended certain provisions of the Public Contracting Code which require amendment of the PCRFB Rules; in addition, certain proposed changes, housekeeping amendments and corrections were identified and approved by the Board September 29, 2005.
- d) The State Legislature also made certain amendments to the Code which became effective January 1, 2006 requiring amendment of the PCRFB Rules; further minor housekeeping and corrections were approved by the Board December 15, 2005.
- e) In a continuing effort to provide a clear, effective and comprehensive procurement and contracting process it is necessary to make further modifications, clarifications and minor corrections to these rules.
- f) It is in the best interests of Multnomah County to adopt the proposed revision to the PCRFB rules in lieu of the Attorney General Model Rules.

**The Multnomah County Board of Commissioners Resolves:**

The Board adopts the rules attached as Exhibit 1 as the Public Contract Review Board Rules for Multnomah County effective September 14, 2006. The Attorney General Model Rules provided for in ORS 279A.065 do not apply to Multnomah County.

ADOPTED this 14th day of September 2006.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
John S. Thomas, Deputy County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 06-157**

Adopting Revised Public Contract Review Board Rules

**The Multnomah County Board of Commissioners Finds:**

- a) In 2003 the legislature enacted a new Public Contracting Code which became effective March 1, 2005.
- b) In response to the enactment of the new Code, on February 24, 2005 the Board adopted new PCRB Rules in lieu of the Attorney General Model Rules.
- c) Subsequent to adoption of the new PCRB Rules the legislature amended certain provisions of the Public Contracting Code which require amendment of the PCRB Rules; in addition, certain proposed changes, housekeeping amendments and corrections were identified and approved by the Board September 29, 2005.
- d) The State Legislature also made certain amendments to the Code which became effective January 1, 2006 requiring amendment of the PCRB Rules; further minor housekeeping and corrections were approved by the Board December 15, 2005.
- e) In a continuing effort to provide a clear, effective and comprehensive procurement and contracting process it is necessary to make further modifications, clarifications and minor corrections to these rules.
- f) It is in the best interests of Multnomah County to adopt the proposed revision to the PCRB rules in lieu of the Attorney General Model Rules.

**The Multnomah County Board of Commissioners Resolves:**

The Board adopts the rules attached as Exhibit 1 as the Public Contract Review Board Rules for Multnomah County effective September 14, 2006. The Attorney General Model Rules provided for in ORS 279A.065 do not apply to Multnomah County.

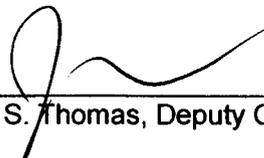
ADOPTED this 14th day of September 2006.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Deputy County Attorney

**EXHIBIT 1**  
**MULTNOMAH COUNTY**  
**PUBLIC CONTRACT REVIEW BOARD**  
**RULES**

Effective September 14, 2006

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*15-0000 Authority of the CPCA Manager..... 12*

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## **DIVISION 5 INTRODUCTION – SOURCE OF RULES – EFFECTIVE DATE**

These Rules comprise a comprehensive revision of the Multnomah County Public Contract Review Board Rules. The original rules were first adopted April 8, 1976 and were most recently revised on December 15, 2005.

These Rules implement ORS Chapters 279 and Chapters 279A, 279B and 279C, the Public Contracting Code, referred to in this document as “the Code.”

- Division 10, Definitions, was compiled from definitions from Model Rules Divisions 46, 47, 48 and 49 with additions from the former county rules and from the Department of Administrative Services (“DAS”) Rules (“DAS Rules”).
- Divisions 15 and 20 apply to all contracts including personal services.
- Division 46 implements ORS chapter 279A, General Provisions. Division 46 applies to all public contracting conducted under these Rules
- Division 47 implements chapter 279B, Public Procurements. Division 47 applies to Procurement of Goods and Trade Services.
- Divisions 48 and 49 implement ORS chapter 279C, Public Improvements and Related Contracts; Division 48 describes procedures for Procurement of architectural, engineering, land surveying and related services contracts; Division 49 describes procedures for Procurement of construction services.
- Division 55 implements ORS Chapter 279 relating to purchases from Qualified Rehabilitation Facilities. Division 55 is based on DAS Rules and OAR 125-055-0005 et seq.
- Division 60 implements the County's policy to provide opportunities for all segments of the business population and to prohibit discrimination. Division 60 applies to all contracts including personal services contracts.

The primary source documents for these Rules are the Code, the Oregon Attorney General’s Model Public Contract Rules (Divisions 46, 47, 48 and 49), the DAS Rules and the former Multnomah County Public Contract Review Board Rules dated October 10, 2002 (former county rules). The Model Rules and the DAS Rules were in some cases revised to meet the particular requirements of Multnomah County.

These Rules focus on competitive Procurement procedures intended to further the State of Oregon policy goals for a sound and responsive public contracting system that: 1) uses procurement practices that are a simple, clear and modern reflection of the market place and industry standards; 2) instills public confidence; 3) promotes efficient use of state and local government resources; 4) clearly identifies rules and policies that implement each of the legislatively mandated socioeconomic programs that overlay public contracting and accompany the expenditure of public funds; 5) allows impartial and open competition; and 6) provides a public contracting structure that takes full advantage of evolving procurement methods as they emerge within various industries, while preserving Competitive Bidding as the standard for public improvement contracts unless otherwise exempted.

## DIVISION 10 DEFINITIONS

### 10-0000 Definitions

#### Review

- (1) **Addendum or Addenda.** An addition or deletion to, a material change in, or general interest explanation of the Solicitation Document.
- (2) **Advantageous.** In the County's best interests, as assessed according to the judgment of the County.
- (3) **Award.** As the context requires, either the act or occurrence of the identification of the Person with whom the County will enter into a Contract following the resolution of any protest of the County's selection of that Person, and the completion of all Contract Negotiations.
- (4) **Affected Person or Affected Offeror.** A Person whose ability to participate in a Procurement is adversely affected by a decision of the County.
- (5) **Bid.** A response to an Invitation to Bid.
- (6) **Bidder.** A Person who submits a Bid in response to an Invitation to Bid.
- (7) **Board.** The Multnomah County Public Contract Review Board.
- (8) **Chair.** The Chair of the Board of County Commissioners for Multnomah County.
- (9) **Code.** The Public Contracting Code, ORS chapters 279A, 279B and 279C.
- (10) **CPCA.** Central Procurement and Contract Administration.
- (11) **CPCA Manager.** The Central Procurement and Contract Administration Manager whose duties are described in Division 15 or that person's designee.
- (12) **CPCA MINT Site.** A site maintained by CPCA on the MINT (County intranet site) for use by County employees.
- (13) **CPCA Website.** The Internet World Wide Web site maintained by CPCA.
- (14) **Closing.** The date and time announced in the Solicitation Document as the deadline for submitting Offers.
- (15) **Competitive Bidding.** A price-based selection process that involves an advertised public notice, issuance of a Written Solicitation Document inviting interested Persons to submit Written, Signed, and sealed Bids, that are received by the County and publicly opened at the designated time and place, and a Contract awarded (if one is awarded) to the lowest Responsive, Responsible Bidder.
- (16) **Competitive Range.** The Proposers with whom the Department will conduct Discussions or negotiate if the Department intends to conduct Discussions or Negotiations in accordance with Rule 47-0262 or Rule 49-0650. The Competitive Range shall be stated in the Solicitation Document, but will be decreased if the number of Proposers that submit Proposals is less than the specified number, or may be increased by the Department in accordance with Rule 47-0262 or Rule 49-0650.
- (17) **Conduct Disqualification.** A Disqualification pursuant to ORS 279C.440 and Rule 49-0370.

- (18) **Contract.** A sale or other disposal, or a purchase, lease, rental or other acquisition of personal property, services other than Personal Services, public improvements, Public Works, minor alterations, or ordinary repair or maintenance necessary to preserve a public improvement. "Contract" does not include grants. This term is used interchangeably with the term "Public Contract."
- (19) **Contractor.** The Person with whom the County enters into a Contract.
- (20) **Contract Price.** As the context requires, (i) the maximum payments that the County will make under a Contract, including bonuses, incentives and contingency amounts, if the Contractor fully performs under the Contract, (ii) the maximum not-to-exceed amount of payments specified in the Contract, or (iii) the unit prices for Goods or Services set forth in the Contract.
- (21) **Days.** Calendar days unless otherwise specified by these Rules.
- (22) **DBE-** A business concern described in ORS 200.005(1) and certified as such with the State of Oregon pursuant to ORS 200.055.
- (23) **Department.** A County Department or any unit within a Department, which has responsibility for the purchase of Goods or services for the County.
- (24) **Descriptive Literature.** The Offeror's materials submitted to provide information concerning the products available in response to the Solicitation Document.
- (25) **Disabled Individual.** A person who has a physical or mental impairment (a residual, limiting condition resulting from an injury, disease or congenital defect) that so limits the person's functional capabilities (such as mobility, communication, self-care, self-direction, work tolerance or work skills) that the individual is not able to engage in normal competitive employment over an extended period of time and, as a result, must rely on the provision of specialized employment opportunities by qualified nonprofit agencies for Disabled Individuals.
- (26) **Discussions .** To exchange information, compare views, take counsel, and communicate with another for the purposes of achieving clarification and mutual understanding of an Offer.
- (27) **Disqualification.** The preclusion of a Person from contracting with the County after notice and hearing pursuant to Rule 46-0210 or ORS 279C.440 and Rule 49-0370.
- (28) **Electronic Advertisement.** Notice of a request for Offers, request for Quotes, request for information or other document inviting participation in County Procurements available over the Internet via the World Wide Web or some other Internet protocol. An Electronic Advertisement may or may not include a Solicitation Document.
- (29) **Electronic Offer.** A response to a request for Quotes submitted via e-mail.
- (30) **Emergency.** Circumstances that could not have been reasonably foreseen which create a substantial risk of loss, damage, interruption of services or threat to the public health or safety and which require prompt execution of a Contract to remedy the condition.
- (31) **Emerging Small Business or ESB.** A business concern described in ORS 200.005(3) and 200.005(4) and certified as such with the State of Oregon pursuant to ORS 200.055.
- (32) **Exemption.** A process under Rules 49-0600 to 49-0690 that permits an Alternative Contracting Method to be used in lieu of Competitive Bidding. An Exemption may address a specific Contract, or a class or of Contracts.
- (33) **Facsimile.** A document that has been transmitted by and received by a facsimile machine.
- (34) **Foreign Contractor.** A Contractor that is not domiciled in or registered to do business in the State of Oregon. See Rule 49-0490.

- (35) **Goods.** Supplies, equipment, or materials, and any personal property, including any tangible, intangible and intellectual property and rights and licenses in relation thereto.
- (36) **Grant.** Grant has the meaning set forth in 279A.010(i)
- (37) **Informal Quote.** A Quote made in response to a Solicitation under Rule 49-0160.
- (38) **Intermediate Procurement.** A sourcing method authorized by Rule 47-0270.
- (39) **Invitation to Bid or ITB.** The Solicitation of competitive, Written, Signed and sealed Bids in which Specification, price and delivery (or project completion) are the predominant Award criteria.
- (40) **Living Wage.** A minimum wage required to be paid on janitorial, security and food services pursuant to Resolution 98-165.
- (41) **MBE.** A minority business concern described in ORS 200.005(6) and certified as such with the State of Oregon pursuant to ORS 200.055.
- (42) **Minority Individual.** A person described in ORS 200.005(7).
- (43) **Negotiations.** To compare views, take counsel, and communicate with another so as to arrive at a voluntary, mutual agreement about a matter.
- (44) **Nonresident Bidder.** A Bidder described in ORS 279A.120(1)(a).
- (45) **Offer.** A Bid, Proposal or Quote or other response to a Solicitation as applicable.
- (46) **Offeror.** A Person submitting a Bid, Proposal or Quote as applicable; a Bidder or a Proposer.
- (47) **Opening.** The date, time and place announced in the Solicitation Document for the public Opening of Written sealed Offers.
- (48) **Person.** An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation or any other legal or commercial entity.
- (49) **Personal Services.** Services as defined in Rule 47-0000(2).
- (50) **Prevailing Wage Rate.** When used in these Rules means the "prevailing rate of wage" defined in ORS 279C.800(3).
- (51) **Price Agreement.** A Public Contract for the Procurement of Supplies and 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 Supplies and Services in which the County does not guarantee a minimum or maximum additional purchase.
- (52) **Procurement.** The act of purchasing, leasing, renting or otherwise acquiring Goods or services. As used in Division 49 it also means the act contracting for a Public Improvement. "Procurement" includes each function and procedure undertaken or required to be undertaken by a contracting agency to enter into a Public Contract, administer a Public Contract and obtain the performance of a Public Contract under the Public contracting Code.
- (53) **Procurement File.** The file required to be maintained under Rule 46-0490.
- (54) **Product Sample.** A representative specimen of the item offered by the Offeror in response to the Solicitation Document. Unless otherwise provided in the Solicitation Document, the Product Sample shall be the exact product or a representative portion of that product offered by the Offeror.
- (55) **Proposal.** A response to a Request for Proposals.

- (56) **Proposer.** A Person who submits a Proposal in response to a Request for Proposals. In Division 48, the term "Proposer" means a Consultant who submits a Proposal to in response to a Request for Proposals.
- (57) **Public Contract Review Board.** The Board of County Commissioners acting as the local contract review board pursuant to ORS 279A.060; also referred to as "Board."
- (58) **Public Contract.** A sale or other disposal, or a purchase, lease, rental or other acquisition of personal property, services other than 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. This term is used interchangeably with the term "Contract."
- (59) **Public Improvement.** A project for construction, reconstruction or major renovation on real property by or for a contracting agency. "Public Improvement" does not include projects for which no funds of a contracting agency are directly or indirectly used, except for participation that is incidental or related primarily to project design or inspection; or Emergency Work, minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement. See ORS 279A.010(1)(aa)
- (60) **Public Works.** Public Works includes but is not limited to 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 the County to serve the public interest but does not include the reconstruction or renovation of privately owned property that is leased by the County. See ORS 279C.800(5).
- (61) **PUR-1.** The County administrative procedure for use for Solicitation of Contracts for Personal Services.
- (62) **QRF.** Qualified Rehabilitation Facility. A non-profit corporation, defined in ORS 279.835(4), to serve Disabled Individuals.
- (63) **Quote.** A response to an informally solicited request for a competitive price or competitive proposal pursuant to Rule 47-0270, Rule 49-0160 or to any other Solicitation where the Solicitation is not made by an Invitation to Bid or a Request for Proposals or Special Procurement.
- (64) **Request for Proposals or RFP.** A Solicitation Document calling for Proposals.
- (65) **Resident Bidder.** A Bidder described in ORS 279A.120(1)(b).
- (66) **Responsible Offeror** (also, Responsible Bidder or Responsible Proposer, as applicable). A Person that has submitted an Offer and meets the standards set forth in Rule 47-0640(1)(c)(F) and that has not been disqualified by the CPCA Manager under Rule 47-0575 or Rule 49-0370, respectively. When used alone, "Responsible" means meeting the aforementioned standards.
- (67) **Responsive Offer** (also, Responsive Bid or Responsive Proposal, as applicable). An Offer that substantially complies with applicable Solicitation procedures and requirements and the Solicitation Document.
- (68) **Retainage.** As used in these Rules, "Retainage" has the meaning given 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.
- (69) **Rules.** These Public contracting Rules unless otherwise indicated.
- (70) **Sign, Signed or Signature.** Any mark, word or symbol attached to or logically associated with a document and executed or adopted by a Person with the intent to be bound.

- (71) **Small Procurement.** A procurement pursuant to Rule 47-0265
- (72) **Sole-Source Procurement.** A sourcing method authorized by Rule 47-0275.
- (73) **Solicitation.** A request for the purpose of soliciting Offers. This request may take the form of an Invitation for Bid, a Request for Proposal, a Request for Qualifications or a similar document; the process of notifying prospective Offerors that the County requests such Offers; the Solicitation Document itself.
- (74) **Solicitation Document.** An Invitation to Bid, Request for Proposals or other document issued to invite offers from prospective contractors. This term does not apply to Intermediate Procurements, Informal Quotes or Procurements under 47-0265, 47-0270, 48-0210 or 49-0160.
- (75) **Special Procurement.** A sourcing method authorized by Rule 47-0285
- (76) **Specifications.** Any description of the physical or functional characteristics, or of the nature of a supply, service or construction item, including any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery and the quantities or qualities of materials to be furnished under the Contract. Specifications generally will state the result to be obtained and may, on occasion, describe the method and manner of doing the Work to be performed.
- (77) **Trade Services.** All remaining services that do not meet the definition for Personal Services.
- (78) **Women.** As used in these Rules this term has the meaning set forth in ORS 200.005(10).
- (79) **WBE.** A Women business concern described in ORS 200.005(6) and certified as such with the State of Oregon pursuant to ORS 200.055.
- (80) **Work.** 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.
- (81) **Written or Writing.** Conventional paper documents either manuscript or printed, in contrast to spoken words. It also includes electronic transmissions or Facsimile documents when required by applicable law or to the extent permitted by the Solicitation Document or Contract.

Source: The Code, Attorney General Model Rules, DAS Rules, Former County Rules

## DIVISION 15 AUTHORITY OF THE CPCA MANAGER

### 15-0000 Authority of the CPCA Manager

- (1) The authority of the CPCA Manager is as follows:
  - (a) Solicit and Award all Contracts over the dollar thresholds stated in Rules 47-0270 (1), 48-0210 (1) and 49-0160 (1) on behalf of the County unless the Solicitation Document provides that the Contract shall be awarded by the County Chair or the Board.
  - (b) Purchase or contract for Goods and services equal to or less than the thresholds stated in (1) (a) above
  - (c) Delegate authority to make purchases of Goods and services equal to or less than \$150,000;
  - (d) Ensure compliance with all applicable federal and state laws, Multnomah County Rules, policies and procedures governing public and Personal Services Contracts.
  - (e) Establish and enforce Specifications to procure Goods and services.
  - (f) Execute County Contracts on behalf of the Chair when authorized by the Chair, using the Signature of the Chair and the initials or the name of the CPCA Manager.
  - (g) Review and approve or deny, on behalf of the Chair, contract amendments that exceed 20% of the original amount for contracts of \$150,000 or less.
  - (h) Review and approve or deny, on behalf of the Chair, public improvement contract amendments that exceed 20%, or in the case of contracts for renovation or remodel, 33% of the original amount for contracts of \$75,000 or less.
  - (i) Review and recommend to the Board approval or denial of contract amendments that exceed the thresholds stated in (g) and (h) above.
  - (j) Recommend amendments to the Public Contract Review Board Rules to the Board and recommend amendments to County administrative procedures to the Chair;
  - (k) Develop procedures which comply with applicable statutes, rules, policies, resolutions and administrative procedures.
  - (l) Review and approve or deny Sole Source Procurements and Special Procurements for \$150,000 and less and exemption from Competitive Bidding for Public Improvement contracts for \$75,000 and less
  - (m) Review and recommend to the Board action to be taken on Sole Source Procurement and Special Procurement in excess of \$150,000 and exemption from Competitive Bidding for Public Improvement contracts in excess of \$75,000
  - (n) Manage and monitor county-wide Contracts required by county Departments for greater efficiency and economy.
  - (o) Adopt forms and procedures for all county purchases.
  - (p) Maintain a file of all original executed copies of Contracts.
  - (q) Maintain a county-wide Contracts information system.
  - (r) Manage the county Contract approval process.

- (s) Delegate the CPCA Manager's authority to act under these Rules.
- (2) All authority to act under these Rules not specifically assigned to the Board, a Department or the CPCA Manager is delegated to the CPCA Manager.

Based on former County Rules 15.000, 15.003 and 15.006

## DIVISION 20 MISCELLANEOUS MATTERS

### 20-0005 Rules Applicable in Lieu of PCRB Rules

- (1) The Model Rules adopted by the Attorney General shall not apply to Multnomah County. These Rules shall apply in place of the Attorney General Model Rules.

### 20-0010 Conflicts of Interest

- (1) **Definitions** The following definitions apply only to this section:
  - (a) **Actual conflict of interest.** Any action, decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit or detriment of the person or the person's relative or any business with which the person or a relative of the person is associated.
  - (b) **Business.** Any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual and any other legal entity operated for economic gain.
  - (c) **Business with which the person is associated.** Any business of which the person or the person's relative is a director, officer, owner or employee, or agent or any corporation in which the person or the person's relative owns or has stock worth \$1,000 or more at any time in the preceding calendar year.
  - (d) **Potential conflict of interest.** Any action or decision or recommendation by a person acting in a capacity as a Public Official, the effect of which could be to the private pecuniary 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 pecuniary benefit or detriment arises out of the following:
    - (A) An interest of 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 is associated, is a member or is engaged. The Board of Commissioners may by resolution limit the minimum size of or otherwise establish criteria for or identify the smaller classes that qualify under this exception.
    - (C) Membership in a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.
  - (e) **Public official.** Any person who, when an alleged violation of this chapter occurs, is serving Multnomah County as an elected official, officer, employee, or appointee on any commission, committee or similar advisory body, irrespective of whether the person is compensated for such services.
  - (f) **Relative.** The spouse of the public official, any children of the public official or of the public official's spouse, and brothers, sisters or parents of the public official or of the public official's spouse.

- (g) **Contract Official.** Any public official responsible for processing, awarding, funding or monitoring a county Contract.
- (h) **Appointing authority.** The elected official having administrative authority over the affected public official, or such elected official's designee.

**(2) Actual and Potential Conflicts of Interest.**

- (a) Prior to taking any action in connection with a County Contract, every Contract Official shall in Writing notify the Contract Official's appointing authority, the County Auditor and CPCA Manager of any actual conflict of interest or potential conflict of interest of such Contract Official with respect to such proposed Contract.
- (b) Upon receiving any information that a proposed Contract involves a potential conflict of interest or actual conflict of interest of any Contract Official, the County Auditor or designated representative shall review the Contract Award procedures for compliance with applicable laws and regulations.
- (c) No Contract shall be awarded or executed on behalf of the County without review and approval by the County Auditor if the County Auditor determines that any Contract Official has a potential conflict of interest or actual conflict of interest in connection with the Contract.

**20-0025 Annual Reports**

- (1) The CPCA Manager shall file an annual report of purchasing activity by September 30 for the twelve-month period ending June 30 with the Chair and the Board. The report shall contain the following:
  - (a) An index of Contracts, Contract Price and contractors.
  - (b) Information regarding Contracts with MBE, WBE and ESB enterprises as well as Qualified Rehabilitation Facilities.
  - (c) A summary of contract totals by Department for the prior and current year.
  - (d) A listing of Contracts awarded through the Solicitation process to contractors who did not score the highest evaluation or have the lowest Responsive Bid.
  - (e) A listing of Contracts exceeding the dollar limit set forth in Rule 47-0270 (1), 48-0210 (1) and 49-0160 (1) as well as Class II personal services Contracts governed by Administrative Procedure PUR-1 for which only one (1) Bid or Proposal was received.

**20-0030 Unauthorized Purchases**

- (1) An unauthorized purchase is any purchase of Goods or services, including personal services made without following County Procurement requirements or without delegated authority.
- (2) The CPCA Manager may approve claims for payment arising from unauthorized purchases or may refer such claims to the Board for approval.
- (3) Prior to processing a request for approval of payment of an unauthorized purchase, the CPCA Manager shall require the following information:
  - (a) Description of the Goods or services furnished as a result of the unauthorized Contract;

- (b) A detailed statement of facts relating to the unauthorized purchase, including the name and position of the person who made the unauthorized purchase and an explanation of the reason County Procurement requirements were not followed;
- (c) Documentation that the amount claimed by the Contractor is fair and reasonable;
- (d) Copies of all invoices and other documents pertinent to the transaction;
- (e) Verification that the Goods or services have been received and accepted by the County;
- (f) The cost center, WBS element or order code for the purchase;
- (g) A statement of the steps taken or planned to prevent recurrence of such unauthorized purchase.

**20-0040 Ethics in Public Contracting**

- (1) These Rules supplement and do not replace ORS 244.010 to ORS 244.400, for the purpose of applying the policy of ORS 244.010 to Oregon Public contracting under the Public Contracting Code and these Rules. Oregon Public contracting is a public trust. The Agencies and Contractors involved in public contracting must safeguard this public trust.

**20-0050 Specifications**

- (1) Departments shall not develop Specifications that primarily benefit a Contractor, directly or indirectly, to the detriment of the County.
- (2) Departments shall not develop Specifications that inhibit or tend to discourage public contracting with Qualified Rehabilitation Facilities under Division 55 of these Rules where those Specifications inhibit or tend to discourage the acquisition of QRF-produced Supplies and Services without reasonably promoting the satisfaction of bona fide, practical procurement needs of the County.
- (3) Departments shall not develop Specifications that inhibit or tend to discourage public contracting under other public procurement laws or policies of the County.

## **DIVISION 46 GENERAL PROVISIONS RELATED TO PUBLIC CONTRACTING**

### **46-0100 Application; Federal Law Supremacy**

- (1) These PCRB Rules consist of the following four divisions:
  - (a) This division 46, which is applicable to all public contracting;
  - (b) Division 47, which describes procedures for public contracting for Goods or Services, as defined in ORS 279B.005;
  - (c) Division 48, which describes procedures for public contracting for Architectural, Engineering and Land Surveying Services and Related Services; and
  - (d) Division 49, which describes procedures for public contracting for Construction Services.
- (2) In the event of conflict between Rules in this division 46 and Rules in divisions 47, 48 and 49, the Rules in divisions 47, 48 and 49 take precedence over the Rules in this division 46.
- (3) Except as otherwise expressly provided in ORS 279C.800 to ORS 279C.870, and notwithstanding ORS chapters 279A, 279B, and ORS 279C.005 to 279C.670, applicable federal statutes and regulations govern when federal funds are involved and the federal statutes or regulations conflict with any provision of ORS chapters 279A, 279B, and ORS 279C.005 to 279C.670 or these PCRB Rules, or require additional conditions in Public Contracts not authorized by ORS chapters 279A, 279B, and ORS 279C.005 to 279C.670 or these PCRB Rules.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.030 & ORS 279A.065

### **46-0120 Policy**

All County departments shall conduct public contracting to further the following policies, and policies set forth in ORS Chapters 279, 279A, 279B and 279C and these PCRB Rules. A sound and responsive public contracting system should:

- (1) Simplify, clarify and modernize procurement practices so that they reflect the market place and industry standards.
- (2) Instill public confidence through ethical and fair dealing, honesty and good faith on the part of government officials and those who do business with the government.
- (3) Promote efficient use of federal, state and local government resources, maximizing the economic investment in public contracting within this state.
- (4) Clearly identify rules and policies that implement each of the socioeconomic programs that overlay public contracting and accompany the expenditure of public funds mandated by the legislature or the Board.
- (5) Allow impartial and open competition, protecting both the integrity of the public contracting process and the competitive nature of public procurement. In public procurement, as set out in ORS chapter 279B, meaningful competition may be obtained by evaluation of performance factors and other aspects of service and product quality, as well as pricing, in arriving at best value.

- (6) Provide a public contracting structure that can take full advantage of evolving procurement methods as they emerge within various industries, while preserving Competitive Bidding as the standard for Public Improvement contracts unless otherwise exempted.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.015 & ORS 279A.065

#### **46-0130 Application of the Code and PCRB Rules; Exceptions**

- (1) Neither the Code nor these PCRB Rules apply to the following contracts or the classes of contracts:
  - (a) Contracts for purchases of law enforcement equipment suitable for counter-drug activities and computer equipment pursuant to the e-government Act of 2002 as described in ORS 279A.180, provided that the process described therein is followed;
  - (b) Grants as defined in ORS 279A.010 (i);
  - (c) Acquisitions or disposals of real property or interest in real property;
  - (d) Transfer, sale or disposal of personal property. The Chair is delegated authority to transfer, sell or dispose of personal property in accordance with administrative procedures adopted by the Chair.
  - (e) Procurements by a Department from an Oregon Corrections Enterprises program;
  - (f) Contracts between the County and other government entities including the federal government.
  - (g) Contracts, agreements or other documents entered into, issued or established in connection with:
    - (A) The incurring of debt by a public body, including but not limited to the issuance of bonds, certificates of participation and other debt repayment obligations, and any associated contracts, agreements or other documents, regardless of whether the obligations that the contracts, agreements or other documents establish are general, special or limited;
    - (B) The making of program loans and similar extensions or advances of funds, aid or assistance by a public body 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 to 279B.085;
  - (h) Contracts for Goods or Services with non-profit agencies providing employment opportunities for Disabled Individuals pursuant to ORS 279.835 to 279.855. However, Departments shall enter into such contracts in accordance with Division 55 of these Rules.
  - (i) 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.050, ORS 279A.055, 279A.065 & 279A.180

**46-0210 Subcontracting to and Contracting with Emerging Small Businesses; Prohibition Against Discrimination.**

- (1) A Department 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 Department.
- (2) 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 by the Oregon Economic and Community Development Department pursuant to administrative rules adopted by the Oregon Economic and Community Development Department; or
  - (b) The Contractor certifies in Writing to the Department that a substantial number of the subcontractor's employees or subcontractors that will manufacture the Goods or complete the services under the Contract reside in an area designated as economically distressed by the Oregon Economic and Community Development Department pursuant to administrative rules adopted by the Oregon Economic and Community Development Department. For the purposes of making the foregoing determination, the Department shall determine in each particular instance what proportion of a Contractor's subcontractor's employees or subcontractors constitute a substantial number.
- (3) The CPCA Manager shall include in each Solicitation Document a requirement that Offerors certify in their Offers on a form prescribed by the CPCA Manager:
  - (a) That the Offeror has not and will not discriminate against a subcontractor in the awarding of a subcontract because the subcontractor is a minority, Women or Emerging Small Business enterprise certified under ORS 200.055; and
  - (b) That the Offeror will not, in the performance of the Contract, discriminate based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income.
- (4) **MBE, WBE, ESB and DBE Disqualification.**
  - (a) The County may disqualify a Person from consideration of Award of County Contracts under ORS 200.065(5), or suspend a Person's right to bid on or participate in any public contract pursuant to ORS 200.075(1) after providing the Person with notice and a reasonable opportunity to be heard in accordance with sections (d) and (e) of this section.
  - (b) As provided in ORS 200.065 and 200.075 the County 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) The County 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 public entity pursuant to ORS 200.065.

- (B) The County may suspend a Person upon finding that the Person engaged in any of the acts prohibited by ORS 200.075(a) through (c).
- (c) The County 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 ORS 200.075, as applicable.
- (d) The County shall notify the Person in Writing of a proposed Disqualification pursuant to this section, served personally or by registered or certified mail, return receipt requested. This notice shall:
  - (A) State that the County 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 within the time stated in the notice and that if the County does not receive the Person's 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 that the hearing will be conducted pursuant to ORS 200.065 and 200.075;
  - (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.
- (e) The County shall schedule a hearing upon the County's receipt of the Person's timely request. The County 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.
- (f) The County will notify the Person in Writing of its Disqualification, served personally 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 200.065, ORS 200.075, ORS 279A.065, ORS 279A.105 & ORS 279A.110

## **CONTRACT PREFERENCES**

### **46-0300 Preference for Oregon Goods and Services; Nonresident Offerors**

- (1) **Award When Offers Identical.** When a Department receives Offers identical in price, fitness, availability and quality, and chooses to Award a Contract, the Department shall Award the Contract based on the following order of precedence:
  - (a) The Department shall Award the Contract to the Offeror among those submitting identical offers that is offering Goods or Services that have been manufactured or produced in Oregon.

- (b) If two or more Offerors submit identical Offers, and both offer Goods or Services manufactured or produced in Oregon, the Department shall Award the Contract by drawing lots among the identical Offers offering Goods or Services that have been manufactured or produced in Oregon. The Offerors that submitted the identical Offers subject to the drawing of lots shall be given notice and an opportunity to be present when the lots are drawn.
  - (c) If the Department receives identical Offers, and none of the identical Offers offer Goods or Services manufactured or produced in Oregon, then the Department shall Award the Contract by drawing lots among the identical Offers. The Offerors that submitted the identical Offers subject to the drawing of lots shall be given notice and an opportunity to be present when the lots are drawn.
- (2) **Determining if Offers are Identical.** A Department 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 or Services described in the Invitation to Bid at the same price.
  - (b) Proposals received in response to a Request for Proposals 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.
  - (c) Proposals received in response to a Special Procurement conducted pursuant to ORS 279B.085 are identical in price, fitness, availability and quality if, after completing the contracting procedure approved by the Contract Review Authority, the Department determines, in Writing, that two or more Proposals are equally Advantageous to the Department.
- (3) **Determining if Goods or Services are Manufactured or Produced in Oregon.** For the purposes of complying with subsection 1 of this Rule, Departments may request, either in a Solicitation Document, following Closing, or at any other time determined appropriate by the Department, any information the Department determines is appropriate and necessary to allow the Department to determine if the Goods or Services are manufactured or produced in Oregon. A Department may use any reasonable criteria to determine if Goods or Services are manufactured or produced in Oregon, provided that the criteria reasonably relate to that determination, and provided that the Department applies those criteria equally to each Bidder or Proposer.
- (4) **Procedure for Drawing Lots.** In any instance when this Section calls for the drawing of lots, the Department shall draw lots by a procedure that affords each Offeror subject to the drawing a substantially equal probability of being selected, 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) **Nonresident Offerors.** When a public contract is awarded to a nonresident Offeror and the contract price exceeds \$10,000, the bidder shall promptly report to the Department of Revenue (DOR) on forms provided by the DOR the total contract price, terms of payment, length of contract and such other information as the DOR may require before the Offeror may receive final payment on the public contract. The County shall satisfy itself that this requirement is met before issuing final payment.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.120

#### 46-0310 Reciprocal Preferences

- (1) When evaluating Bids pursuant to Rule 47-0255, Rule 47-0257 or Rule 49-0390, Departments shall add a percentage increase to the Bid of a Nonresident Bidder equal to the percentage, if any, of the preference that would be given to that Bidder in the state in which the Bidder resides. A Department may rely on the list prepared and maintained by the State of Oregon pursuant to ORS 279A.120(4) to determine both (i) whether the Nonresident Bidder's state gives preference to in-state Bidders, and (ii) the amount of such preference.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.120

#### 46-0320 Preference for Recycled Materials

- (1) Preference for Recycled Materials

- (a) **Definitions.** The following definitions apply only to this section:

- (A) **Post-consumer Waste.** A finished material which would normally be disposed of as solid waste, having completed its life cycle as a consumer item. "Post-consumer waste" does not include manufacturing waste
- (B) **Recycled Material.** 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.
- (C) **Recycled Paper.** A paper product with not less than thirty percent of its total weight consisting of post-consumer waste.
- (D) **Recycled Product.** All Goods, 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" also 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.
- (E) **Secondary Waste Material.** Fragments of products or finished products of a manufacturing process which has converted a virgin resource into a commodity of real economic value, and includes post consumer waste, but 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.

- (b) **Policy.** It is the policy of Multnomah County to purchase materials and products that are environmentally sound in their manufacture, use and disposal. The County shall give preference to the purchase of Goods from recycled materials if:

- (A) The recycled product is available; and
- (B) The recycled product meets applicable standards; and
- (C) The recycled product can be substituted for a comparable non-recycled product; and

- (D) The cost of the recycled product does not exceed the cost of the non-recycled product by more than five percent; or
  - (E) If the product is recycled paper, the cost does not exceed the cost of non-recycled paper by more than 15 percent.
- (c) **Development of Specifications.** Departments shall review and work with the CPCA Manager to develop Procurement Specifications that encourage the use of recycled products whenever quality of a recycled product is functionally equal to the same product manufactured from virgin resources. Except for Specifications that have been established to preserve the public health and safety, all Procurement and purchasing Specifications shall be established in a manner that encourages Procurement and purchase of recycled products.
- (d) **Discretion to Give Preference.** At its discretion, the County may give preference to the purchase of Goods manufactured from recycled materials, even if the cost differential exceeds the five percent preference set forth in subsection (b) (D) of this Rule, or the fifteen percent preference set forth in subsection (b) (E) of this Rule.
- (e) **Required Solicitation Language.** Any Written Solicitation under these Rules shall include the following language: "Contractors shall use recyclable products and products which contain recycled content to the maximum extent economically feasible in the performance of the Contract Work set forth in this document."
- (f) **Awards to Maximize Recycling.** In any Solicitation which the County has reserved the right to make multiple awards, the recycled product or recycled paper preference shall be applied to the extent possible to maximize the dollar participation of firms offering recycled products or recycled paper in the Contract Award.
- (g) **Required Specifications.** The County shall require the Offeror to specify the minimum, if not the exact, percentage of recycled paper in the paper products or recycled product in products offered, and both the post-consumer waste and secondary waste material content. For paper products, the County also shall require that the Offeror specify the fiber type. The Offeror may certify a zero percent recycled paper or product. All Contract provisions impeding the consideration of products with recycled paper or recycled products shall be deleted in favor of performance standards.
- (h) **Requirements for Oils.** The County shall require that purchases of lubricating oil and industrial oil be made from the seller whose oil products contain the greater percentage of recycled oil, unless a specific oil product containing recycled oil is:
- (A) Not available within a reasonable period of time or in the quantities necessary to meet a Department's needs;
  - (B) Not able to meet the performance requirements or standards recommended by the equipment or vehicle manufacturer, including any warranty requirements; or
  - (C) Available only at a cost of the comparable virgin oil products or other percent preference established by the County.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.125

## COOPERATIVE PROCUREMENT

### 46-0400 Authority for Cooperative Procurements

- (1) As used in Rules 46-0400 to 46-0480:
  - (a) "Administering Contracting Agency" means a contracting agency that solicits and establishes the original Contract for Procurement of Goods, services or Public Improvements in a Cooperative Procurement. The agency may be the County, a state agency, another local government or an out of state government entity.
  - (b) "Cooperative Procurement" means a Procurement conducted by, or on behalf of, one or more contracting agencies. "Cooperative Procurement" includes but is not limited to multiparty contracts and Price Agreements.
  - (c) "Cooperative Procurement Group" means a group of contracting agencies joined through an intergovernmental agreement for the purposes of facilitating Cooperative Procurements.
  - (d) "Interstate Cooperative Procurement" means a Permissive Cooperative 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 agencies are located outside this state.
  - (e) "Joint Cooperative Procurement" means a Cooperative Procurement in which the participating contracting agencies or the Cooperative Procurement Group and the agencies' or group's contract requirements or estimated contract requirements for Price Agreements are identified.
  - (f) "Original Contract" means the initial Contract or Price Agreement solicited and awarded during a Cooperative Procurement by an Administering Contracting Agency.
  - (g) "Permissive Cooperative Procurement" means a Cooperative Procurement in which the purchasing contracting agencies are not identified.
  - (h) "Purchasing Contracting Agency" means either a Department or another contracting agency that procures Goods, services or Public Improvements from a Contractor based on the original Contract established by an Administering Contracting Agency.
- (2) The County may participate in, sponsor, conduct or administer Cooperative Procurements as follows:
  - (a) The County may participate in, sponsor, conduct or administer Joint Cooperative Procurements to establish Contracts or Price Agreements for Goods or Services, that use source selection methods substantially equivalent to those set forth in Rules 47-0255 to 47-0263 and 47-0285 or to establish Contracts for Public Improvements that use a Competitive Bidding process substantially equivalent to that set forth in Division 49.
  - (b) The County may participate in, sponsor, conduct or administer Permissive Cooperative Procurements to establish contracts or Price Agreements for the acquisition of Goods or Services that use source selection methods substantially equivalent to those set forth in Rule 47-0255 to 47-0263.
  - (c) The County may participate in, sponsor, conduct or administer Interstate Cooperative Procurements to establish contracts or Price Agreements for the acquisition of Goods or

Services that use source selection methods substantially equivalent to those set forth in Rules 47-0255 to 47-0263.

- (3) A Solicitation and Award process uses source selection methods substantially equivalent to those identified in Rules 47-0255 to 47-0263 and 47-0285 when it:
  - (a) Calls for Award of a Contract on the basis of a lowest Responsible Bidder or a lowest and best Bidder determination in the case of competitive bids, or on the basis of a determination of the Proposer whose Proposal is most Advantageous based on evaluation factors set forth in the Request for Proposals in the case of competitive Proposals;
  - (b) Does not permit the application of any geographic preference that is more favorable to Bidders or Proposers who reside in the jurisdiction or locality favored by the preference than the preferences provided in ORS 279A.120 (2); and
  - (c) Uses reasonably clear and precise Specifications that promote suitability for the purposes intended and that reasonably encourage competition.
- (4) Before using a Cooperative Procurement the Department shall make a Written determination that the Solicitation and Award process for the original Contract arising out of the Cooperative Procurement is substantially equivalent to those identified in Rules 47-0255 to 47-0263 and 47-0285 as described in subsection (3) above. This Written determination shall be kept in the Procurement File.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.205

#### **46-0410 Responsibilities of Administering Contracting Agencies and Purchasing Contracting Agencies**

- (1) If the County is an Administering Contracting Agency of a Cooperative Procurement, the County may establish the conditions under which Persons may participate in the Cooperative Procurements administered by the County as the Administering Contract Agency. Such conditions may include, without limitation, whether each Person that participates in the Cooperative Procurement shall pay administrative fees to the County as the Administering Contract Agency, whether the participants shall enter into a Written agreement with the County as the Administering Contract Agency, or any other matters related to the administration of the Cooperative Procurement and the resulting original Contract. The County acting as an Administering Contract Agency may, but is not required to, include provisions in the Solicitation Document for a Cooperative Procurement or advertise the Solicitation Document in a manner to assist a Purchasing Contracting Agency' compliance with the Code or these PCRB Rules.
- (2) If the County, acting as a Purchasing Contracting Agency, enters into a Contract based on a Cooperative Procurement, the County shall comply with the Code and these PCRB Rules, including without limitation those sections of the Code and these PCRB Rules that govern:
  - (a) The extent to which the County may participate in the Cooperative Procurement,
  - (b) The advertisement of the Solicitation Document related to the Cooperative Procurement, and
  - (c) Public notice of the County's intent to establish Contracts based on a Cooperative Procurement.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.205

#### **46-0420 Joint Cooperative Procurements**

- (1) If the County chooses to participate in, sponsor, conduct or administer a Joint Cooperative Procurement it may do so if:
  - (a) The Administering Contracting Agency's Solicitation and Award process for the original Contract is an open and impartial competitive process and uses source selection methods substantially equivalent to those specified in Rules 47-0255 to 47-0263 and 47-0285 or uses a Competitive Bidding process substantially equivalent to the Competitive Bidding process in Division 49;
  - (b) The Administering Contracting Agency's Solicitation and the original Contract or Price Agreement identifies the Cooperative 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.
- (2) A Joint Cooperative Procurement may not be a Permissive Cooperative Procurement.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.210

#### **46-0430 Permissive Cooperative Procurements**

- (1) If the County chooses to participate in, sponsor, conduct or administer a Permissive Cooperative Procurement it may do so if:
  - (a) The Administering Contracting Agency's Solicitation and Award process for the original Contract is an open and impartial competitive process and uses source selection methods substantially equivalent to those specified in Rules 47-0255 to 47-0263;
  - (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.
- (2) If a Department intends to act for the County as a Purchasing Contracting Agency, CPCA shall provide public notice of intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement if the estimated amount of the Procurement exceeds \$250,000. The notice of intent shall include:
  - (a) A description of the Procurement;
  - (b) An estimated amount of the Procurement;

- (c) The name of the Administering Contracting Agency; and
  - (d) A time, place and date by which comments shall be submitted to CPCA regarding the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement.
- (3) Public notice of the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement shall be given in the same manner as provided in Rule 47-0300.
  - (4) CPCA shall give public notice at least seven (7) Days before the deadline for submission of comments regarding the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement.
  - (5) If a notice of intent is required to be given to establish a Contract or Price Agreement through a Permissive Cooperative Procurement under subsection (2) of this section:
    - (a) CPCA shall provide vendors who would otherwise be prospective Bidders or Proposers on the Contract or Price Agreement if the Procurement were competitively procured under Rules 47-0255 to 47-0263, an opportunity to comment on the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement under Rule 46-0440.
    - (b) Vendors shall submit comments within seven (7) Days after the notice of intent is published.
    - (c) If CPCA receives comments on the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement, before the Department may establish a Contract or Price Agreement through the Permissive Cooperative Procurement, the Department shall make a Written determination that establishing a Contract or Price Agreement through a Permissive Cooperative Procurement is in the best interest of the County. CPCA shall provide a copy of the Written determination to any vendor that submitted comments.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.215

**46-0440 Advertisements of Intent to Establish Contracts or Price Agreements through a Permissive Cooperative Procurement**

- (1) A Department that wishes to enter into a Contract or Price Agreement arising out of a Permissive Cooperative Procurement shall publish notice of its intent to do so if the Department estimates that it will spend in excess of \$250,000 on Goods and Services acquired under the Contract or Price Agreement.
- (2) For purposes of determining whether a Department shall give the notice required by this Rule, a Department will spend in excess of \$250,000 for Goods and Services acquired under a Contract or Price Agreement arising out of a Permissive Cooperative Procurement if:
  - (a) The Department's Contract or Price Agreement arising out of the Permissive Cooperative Procurement expressly provides that the Department will make payments over the term of the Contract or Price Agreement that will, in aggregate, exceed \$250,000, whether or not the total amount or value of the payments is expressly stated;
  - (b) The Department's Contract or Price Agreement arising out of the Permissive Cooperative Procurement expressly provides for a guaranteed maximum price, or a maximum not to exceed amount in excess of \$250,000; or

- (c) At the time the Department enters into the Contract or Price Agreement, the Department reasonably contemplates, based on historical or other data available to the Department, that the total payments it will make for Goods or Services under the Contract or Price Agreement will, in aggregate, exceed \$250,000 over the anticipated duration of the Contract or Price Agreement.
- (3) The notice of intent required by this Rule shall contain the information required by Rule 46-0430(2)(b), and CPCA shall advertise the notice in the same manner as provided in Rule 47-0300. CPCA shall give the notice required by this Section no fewer than 7 Days before the deadline for submitting comments regarding the Department's intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement.
- (4) A Department that intends to establish a Contract or Price Agreement arising out of a Permissive Cooperative Procurement it administers as an Administering Contract Agency may satisfy the notice requirements set forth in this Rule by including the information required by Rule 46-0430(2)(b) in the Solicitation Document related to the Permissive Cooperative Procurement, and including instructions in the Solicitation Document to potential Offerors describing how they may submit comments in response to the Department's intent to establish a Contract or Price Agreement through the Permissive Cooperative Procurement. The content and timing of such notice shall comply in all respects with Rule 46-0430 and these Rules.
- (5) A Department acting as a Purchasing Contracting Agency shall respond to any comments on its intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement as set forth in Rule 46-0430(5)(c).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.215

#### **46-0450 Interstate Cooperative Procurements**

- (1) A Department may establish a contract or price agreement through an Interstate Cooperative Procurement only if:
  - (a) The Solicitation and Award process for the original Contract is an open and impartial competitive process and uses source selection methods substantially equivalent to those specified in Rules 47-0255 to 47-0263
  - (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.
- (2) In addition to the requirements in subsection (1) of this section:
  - (a) The Department, or the Cooperative Procurement Group of which the Department is a member, shall be listed in the Solicitation of the Administering Contracting Agency as a party that may establish contracts or Price Agreements under the terms, conditions and prices of the original Contract, and the Solicitation shall be advertised in Oregon; or
  - (b) The Department, or the Cooperative Procurement Group of which the Department is a member, shall advertise a notice of intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement.

- (A) The notice of intent shall include:
    - (i) A description of the Procurement;
    - (ii) An estimated amount of the Procurement;
    - (iii) The name of the Administering Contracting Agency; and
    - (iv) A time, place and date by which comments shall be submitted to CPCA regarding the intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement.
  - (B) Public notice of the intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement shall be given in the same manner as provided in Rule 47-0300.
  - (C) The notice shall be given at least seven (7) Days before the deadline for submission of comments regarding the intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement.
- (3) If a Department is required to provide notice of intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement under subsection (2) of this section:
- (a) CPCA shall provide vendors who would otherwise be prospective Bidders or Proposers on the Contract or Price Agreement, if the Procurement were competitively procured under Rules 47-0255 to 47-0263, an opportunity to comment on the intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement.
  - (b) Vendors shall submit comments within seven (7) Days after the notice of intent is published
  - (c) If CPCA receives comments on the intent to establish a Contract or Price Agreement through an Interstate Cooperative Procurement, before the Department may establish a Contract or Price Agreement through the Interstate Cooperative Procurement, the Department shall make a Written determination that establishing a Contract or Price Agreement through an Interstate Cooperative Procurement is in the best interest of the County. CPCA shall provide a copy of the Written determination to any vendor that submitted comments.
- (4) For purposes of this section, an Administering Contracting Agency may be any governmental body, domestic or foreign, authorized under its laws, rules or regulations to enter into contracts for the Procurement of Goods and services for use by a governmental body.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.220

#### **46-0460 Advertisements of Interstate Cooperative Procurements**

A Department may participate in an Interstate Cooperative Procurement as a Purchasing Contracting Agency if at least one (1) of the following occurs:

- (1) The Solicitation Document for the Interstate Cooperative Procurement lists the Department or the Cooperative Procurement Group of which the Department is a member as a party that may enter into Contracts or Price Agreements under the terms and conditions of the original Contract, and the Solicitation Document is advertised in Oregon in compliance with Rule 47-0300 by either:
  - (a) The Department; or

- (b) The Cooperative Procurement Group, or a member of the Cooperative Procurement Group, of which the Department is a member; or
  - (c) Another Purchasing Contracting Agency that is subject to the Code, so long as such advertisement would, if given by the Department, comply with ORS Rule 47-0300; or
- (2) If the Solicitation Document issued by the Administering Contract Agency was not advertised in accordance with Rule 46-0460(a), the Department gives notice of its intent to enter into a Public Contract or Price Agreement based on the terms of the Interstate Cooperative Procurement. The notice of intent shall contain the information required by Rule 46-0450(2)(b)(B), and the notice shall be advertised in the same manner as provided in 47-0300. CPCA shall give the notice required by this Section no fewer than seven (7) Days before the deadline for submitting comments regarding the intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement.
- (3) The Purchasing Contracting Agency shall respond to any comments on its intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement as set forth in Rule 46-0430(5)(c).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.220

#### **46-0470 Protests and Disputes**

- (1) If a Bidder or Proposer wishes to protest the Procurement process, the contents of a Solicitation Document related to a Cooperative Procurement, or the Award or proposed Award of an original Contract, the Bidder or Proposer shall make such protest in accordance with Rules 47-0700 through 47-0760. If the Administering Contract Agency is not subject to the Code, then Bidders or Proposers shall make such protests in accordance with the processes and procedures established by the Administering Contract Agency.
- (2) The failure of a Purchasing Contracting Agency to exercise any rights or remedies it has under a Contract or Price Agreement entered into through a Cooperative Procurement shall not affect the rights or remedies of any other agency that participates in the Cooperative Procurement, including the Administering Contract 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 or Price Agreement arising out of the Cooperative Procurement.
- (3) A protest regarding the use of a Cooperative Procurement by a Department as a Purchasing Contracting Agency after the execution of an original Contract shall be directed to CPCA. The protest shall be in accordance with the provisions of Rules 47-0700, 47-0730, 47-0740 and 47-0760 and is limited in scope to the County's authority to enter into a Cooperative Procurement Contract.
- (4) The decision of the County to use a Cooperative Procurement is reviewable in the circuit court of Multnomah County.
- (5) Disputes regarding Contract performance between another agency acting as a Purchasing Contracting Agency where the County is the Administering Contracting Agency shall be resolved solely by the Purchasing Contracting Agency and the Contractor.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.225

#### **46-0480 Contract Amendments**

A Purchasing Contracting Agency may amend a Contract entered into pursuant to a Cooperative Procurement as set forth in Rule 47-0800.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

### **PROCUREMENT FILES**

#### **46-0490 Procurement Files**

- (1) This Rule applies to all purchases subject to these Rules in excess of \$5,000.
- (2) CPCA is responsible for initiating and maintaining the procurement file for procurement processes performed by CPCA for Countywide procurements and procurements processed on behalf of a Department.
- (3) A Department is responsible for initiating and maintaining the procurement file for intermediate, informal, emergency or any other procurement processed by the Department.
- (4) The information required to be part of the procurement file may be maintained in more than one file as long as there is a system that will allow all documents associated with an individual procurement to be retrieved as necessary.
- (5) Procurement File(s) shall contain:
  - (a) An executed Contract, if awarded;
  - (b) The record of the actions used to develop the Contract;
  - (c) A copy of the Solicitation, if any;
  - (d) Any required findings or statement of justification for the selection of the Contractor and sourcing method used; and
- (6) Procurement File(s) shall also contain, if required by these Rules:
  - (a) A list of prospective contractors notified of any Solicitation;
  - (b) The method used to advertise or notify prospective contractors;
  - (c) A copy of each Offer that resulted in the Award of a Contract;
  - (d) The method of evaluating Offers, the results of the evaluation, and basis of selection;
  - (e) The record of any Negotiation of the Statement of Work and results;
  - (f) A record of all material Communications regarding the Solicitation by interested contractors;
  - (g) All information describing how the Contractor was selected, including the basis for awarding the Contract;
  - (h) A copy of the Request for Special Procurement, if any; and
  - (i) Documentation related to Cooperative Procurements.
- (7) CPCA and Departments shall maintain Procurement Files, in accordance with the retention requirements of administrative procedure REC 1 and any other applicable County

administrative procedures. Procurement Files shall be made immediately available for review upon the request of the CPCA Manager.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279A.050; ORS 279A.065(5); ORS 279A.070; and ORS 279A.140

**DIVISION 47 PUBLIC PROCUREMENTS  
FOR GOODS OR SERVICES - GENERAL PROVISIONS**

**47-0000 Application**

- (1) These Division 47 Rules implement ORS chapter 279B, Public Procurements and apply to the Procurement of Goods or Services. These Rules do not apply to Procurement of Personal Services as defined in subsection (2) below. Procurement of Personal Services is governed by administrative procedures PUR-1 and PUR-6.
- (2) Personal Services are services which require specialized skills, knowledge and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment, including, without limitation, a Contract for the services of an accountant, physician or dentist, educator, information technology or other consultant, broadcaster or artist (including a photographer, filmmaker, painter, weaver or sculptor) and contracts for human services. Personal Services do not include:
  - (a) The services of an Architect, Engineer, Land Surveyor or provider of Related Services under Division 48.
  - (b) Products supplied through Contracts which, even though in a professional capacity, are primarily for a product. E.g., a Contract with a data processing consultant to develop a new computer system design is for Personal Services, but a Contract to design a computer system and supply all the hardware is primarily for a tangible product;
  - (c) Services supplied through Contracts with a temporary service or personnel agency to supply labor, which is of a type that can generally be done by any competent worker; examples include data entry, keypunch, janitorial, security guard, crop spraying, laundry, and landscape maintenance services;
  - (d) Services supplied through Contracts with a Contractor that primarily supplies labor that can generally be done by any competent or skilled worker including, but not limited to conference planning, collection, crowd management, first aid training, courier services and surveys to collect data;
  - (e) Services supplied through Contracts for trade-related activities to be paid on a labor and materials basis; and
  - (f) Contracts for trade-related services to accomplish routine, continuing functions, even though a specific license is required to engage in the activity. Examples include repair and maintenance of equipment or structures.
- (3) The CPCA Manager shall have discretion to determine whether a particular type of Contract or service falls within the foregoing definition.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279B.015  
Former PCRB Rule 340-1080

**SOURCE SELECTION**

**47-0250 Methods of Source Selection**

Except as otherwise permitted by these Rules, Awards of Public Contracts for Goods or Services shall be based on Offers received in response to either competitive sealed Bids pursuant to Rules 47-0255 and 47-

0257 or competitive sealed Proposals pursuant to Rules 47-0260 to 470-0263. The source selection method to be used for contracts that are at no cost to the County but generate revenue for the contractor shall be determined by the potential dollar amount the contractor is expected to receive (e.g. a concession contract).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.050

#### **47-0255 Competitive Sealed Bidding**

- (1) **Generally.** The County may procure Goods or Services by competitive sealed bidding as set forth in this Rule. The CPCA Manager may issue a request for information, a request for interest or other preliminary documents to obtain information useful in the preparation of an Invitation to Bid. An Invitation to Bid is used to initiate a competitive sealed bidding Solicitation and shall contain the following information:
  - (a) A time and date by which the bids shall be received and a place at which the bids shall be submitted, and may, in the sole discretion of the CPCA Manager, direct or permit the submission and receipt of bids by electronic means;
  - (b) The name and title of the person designated for the receipt of bids and the person designated by the CPCA Manager as the contact person for the Procurement, if different;
  - (c) A Procurement description;
  - (d) A time, date and place that prequalification applications, if any, shall be filed and the classes of Work, if any, for which Bidders shall be prequalified in accordance with Rule 47-0550;
  - (e) A statement that the contracting agency may cancel the Procurement or reject any or all bids in accordance with Rule 47-0660;
  - (f) A statement that "Contractors shall use recyclable products and products which contain recycled content to the maximum extent economically feasible in the performance of the Contract Work set forth in this document." (See, Rule 46-0320(1)(e))
  - (g) A statement that requires the Contractor or subcontractor to possess an asbestos abatement license, if required under ORS 468A.710;
  - (h) All contractual terms and conditions applicable to the Procurement;
  - (i) 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 County's representatives at the conference are not binding upon the County unless confirmed by Written Addendum;
    - (B) The form and instructions for submission of Bids and any other special information;
    - (C) The time, date and place of Opening;

- (D) The office where the Solicitation Document may be reviewed;
- (E) A statement that each Bidder shall identify whether the Bidder is a Resident Bidder;
- (F) Contractor's certification of nondiscrimination in obtaining required subcontractors in accordance with Rule 46-0210;
- (G) How the County will notify Bidders of Addenda and how the County will make Addenda available (See Rule 47-0430);
- (j) Department Need. The character of the Goods or Services the Department is purchasing including, if applicable, a description of the acquisition, Specifications, delivery or performance schedule, inspection and acceptance requirements;
- (k) Bidding and Evaluation Process.
  - (A) The anticipated Solicitation schedule, deadlines, protest process, and evaluation process;
  - (B) The Solicitation Document shall set forth objective evaluation criteria in accordance with the requirements of Rule 47-0600. Evaluation criteria need not be precise predictors of actual future costs, but to the extent possible, such evaluation factors shall be reasonable estimates of actual future costs based on information the Department has available concerning future use; and
  - (C) If the Department intends to Award Contracts to more than one Bidder pursuant to Rule 47-0600(4)(c), the Department shall identify in the Solicitation Document the manner in which it will determine the number of Contracts it will Award;
- (l) Applicable preferences pursuant to Rules 46-0310 (in state preference) and 46-0320 (recycled materials preference) and 47-0600(1)(b)(B) (in state printing preference);
- (m) All Contract terms and conditions, including a provision indicating whether the Contractor can assign the Contract, delegate its duties, or subcontract the delivery of the Goods or Services without prior Written approval from the County; and
- (n) Where applicable, requirements for payment of a Living Wage.
- (2) A Department may require bid security if the contracting agency determines that bid security is reasonably necessary or prudent to protect the interests of the County. CPCA shall return the bid security to all Bidders upon the execution of the Contract. CPCA shall retain the bid security if a Bidder who is awarded a Contract fails to promptly and properly execute the Contract. For purposes of this paragraph, prompt and proper execution of the Contract includes all action by a Bidder that is necessary to the formation of a Contract in accordance with the Invitation to Bid, including the posting of performance security and the submission of proof of insurance when required by the Invitation to Bid.
- (3) Public notice of the competitive sealed bidding Solicitation shall be given as set forth in Rule 47-0300.
- (4) The CPCA Manager shall open bids publicly at the time, date and place designated in the Invitation to Bid.
  - (a) The amount of a bid, the name of the Bidder and other relevant information shall be recorded. The record shall be open to public inspection.
  - (b) Notwithstanding any requirement to make bids open to public inspection after the issuance of notice of intent to Award a Contract, the County may withhold from disclosure to the public trade secrets, as defined in ORS 192.501, and information

submitted to a public body in confidence, as described in ORS 192.502, that are contained in a bid.

- (5) The CPCA Manager shall evaluate all bids that are received before the time and date indicated for bid Closing in the Invitation to Bid. The CPCA Manager shall evaluate the bids based on the requirements set forth in the Invitation to Bid. The requirements may include, in addition to the information described in subsection (1)(k)(B) of this Rule, criteria to determine minimum acceptability, such as inspection, testing, quality and suitability for intended use or purpose. Criteria that will affect the bid price and will be considered in evaluation for Award including, but not limited to, discounts, transportation costs and total costs of ownership or operation of a product over its life shall be objectively measurable. The Invitation to Bid shall set forth the evaluation criteria to be used. No criteria may be used in a bid evaluation that are not set forth in the Invitation to Bid or in a qualified products list maintained under Rule 47-0525. The CPCA Manager shall, for the purpose of evaluating bids, apply any applicable preference described in Rules 46-0300, 46-0310 and 46-0320.
- (6) CPCA Manager may not consider for Award bids received after the time and date indicated for bid Closing in the Invitation to Bid.
- (7) The CPCA Manager may retain bids or copies of bids received after the Bid Closing.
- (8) Correction and withdrawal of bids before and after bid Closing and the cancellation of awards or contracts based on bid mistakes shall be done in accordance with Rules 47-0460 and 47-0470.
- (9) The cancellation of invitations to bid and the rejection of bids shall be in accordance with Rules 47-0650 and 47-0660.
- (10) The CPCA Manager shall, in accordance with Rule 47-0610, issue to each Bidder or shall post, electronically or otherwise, a notice of intent to Award.
- (11) If a Contract is awarded, the CPCA Manager shall Award the Contract:
  - (a) To the lowest Responsible Bidder whose bid substantially complies with the requirements and criteria set forth in the Invitation to Bid and with all prescribed public Procurement procedures and requirements; or
  - (b) When the Invitation to Bid specifies or authorizes the Award of multiple contracts, to the Responsible Bidders:
    - (A) Whose bids substantially comply with the requirements and criteria set forth in the Invitation to Bid and with all prescribed public Procurement procedures and requirements; and
    - (B) Who qualify for the Award of a Public Contract under the terms of the Invitation to Bid.
- (12) The successful Bidder shall promptly execute a Contract. The successful Bidder's duty to promptly execute a Contract includes the duty to take all action that is necessary to the formation of a Contract in accordance with the Invitation to Bid, including the posting of performance security and the submission of proof of insurance when required by the Invitation to Bid.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055

#### 47-0257 Multistep Sealed Bids

- (1) **General.** When a Department considers it impractical to initially prepare a Procurement description to support an Award based on price, the contracting agency may issue a multistep Invitation to Bid requesting the submission of unpriced submittals, and then later issue an Invitation to Bid limited to the Bidders whom the CPCA Manager has determined to be eligible to submit a priced bid under the criteria set forth in the initial Solicitation of unpriced submittals.
- (2) **Phased Process.** Multistep bidding is a phased process that seeks necessary information or unpriced technical Bids in the initial phase and regular competitive sealed bidding, inviting Bidders who submitted technically eligible Bids in the initial phase to submit competitive sealed price Bids on the technical Bids in the final phase. The Contract shall be Awarded to the lowest Responsible Bidder. If time is a factor, the CPCA Manager may require Bidders to submit a separate sealed price Bid during the initial phase to be opened after the technical evaluation.
- (3) **Public Notice.** Whenever multistep sealed Bids are used, public notice for the first phase shall be given in accordance with Rule 47-0300. Public notice is not required for the subsequent phases. However, the CPCA Manager shall give notice of subsequent phases to all Bidders and inform Bidders of the right to protest Addenda issued after initial Closing pursuant to Rule 47-0430 and inform Bidders excluded from the subsequent phases of the right, if any, to protest exclusion pursuant to Rule 47-0720.
- (4) **Procedures Generally.** In addition to the procedures set forth in Rules 47-0300 to 47-0490, the County shall employ the procedures set forth in this Rule for multistep bidding:
  - (a) **Solicitation Protest.** The Solicitation Document shall provide that prior to the Closing of phase one there shall be an opportunity to protest the Solicitation under Rule 47-0730.
  - (b) **Addenda Protest.** The Solicitation Document may provide an opportunity to protest any Addenda issued during phase two pursuant to Rule 47-0430(3)(b).
  - (c) **Exclusion Protest.** The Solicitation Document may, but is not required to provide an opportunity for a Bidder to protest exclusion from the second round of multistep sealed Bids as set forth in Rule 47-0720.
  - (d) **Administrative Remedy.** Proposers may submit a protest to any Addenda or to any action by the County that has the effect of excluding the Proposer from the second phase of multistep bidding to the extent such protests are provided for in the Solicitation Document or required by this section. Failure to so protest shall be considered the Bidder's failure to pursue an administrative remedy made available to the Bidder by the County.
  - (e) **Award Protest.** The County shall provide an opportunity to protest its intent to Award a Contract pursuant to Rule 47-0740. An Affected Bidder may protest, for any of the bases set forth in Rule 47-0720(2), its exclusion from the second phase of a multistep sealed Bid, or an Addendum issued following initial Closing, if the County did not previously provide Bidders the opportunity to protest such exclusion or Addendum.
- (5) **Procedure for Phase One of Multistep Sealed Bids.**
  - (a) **Form.** Multistep sealed bidding shall be initiated by the issuance of an Invitation to Bid in the form and manner required for competitive sealed Bids except as hereinafter provided. In addition to the requirements set forth in Rule 47-0255(1), the multistep Invitation to Bid shall state:

- (A) That un-priced technical Bids are requested;
  - (B) Whether price Bids are to be submitted at the same time as un-priced technical Bids; if they are, that such price Bids shall be submitted in a separate sealed envelope;
  - (C) That the Solicitation is a multistep sealed Bid Procurement, and priced Bids will be considered only in the second phase and only from those Bidders whose un-priced technical Bids are found eligible in the first phase;
  - (D) The criteria to be used in the evaluation of un-priced technical Bids;
  - (E) That the County, to the extent that it finds necessary, may conduct oral or Written Discussions for the purposes of clarification of the un-priced technical Bids;
  - (F) That the Goods or Services being procured shall be furnished generally in accordance with the Bidder's technical Bid as found to be finally eligible and shall meet the requirements of the Invitation to Bid.
  - (G) Whether Bidders excluded from subsequent phases have a right to protest the exclusion before the notice of intent to Award. Such information can be given or changed by Addenda.
- (b) **Addenda to the Invitation to Bid.** After receipt of un-priced technical Bids, Addenda to the Invitation to Bid shall be distributed only to Bidders who submitted un-priced technical Bids.
  - (c) **Receipt and Handling of Un-priced Technical Bids.** Un-priced technical Bids need not be opened publicly.
  - (d) **Evaluation of Un-Priced Technical Bids.** Un-priced technical Bids submitted by Bidders shall be evaluated solely in accordance with the criteria set forth in the Invitation to Bid. Un-priced technical Bids shall be categorized as:
    - (A) Eligible;
    - (B) Potentially eligible; that is, reasonably susceptible of being made eligible; or
    - (C) Ineligible. CPCA shall record in Writing the basis for determining a Bid ineligible and make it part of the Procurement File. The Department may initiate phase two of the procedure if, in the Department's opinion, there are sufficient eligible un-priced technical Bids to assure effective price competition in the second phase without technical Discussions. If the Department finds that such is not the case, CPCA may issue an Addendum to the Invitation to Bid or engage in technical Discussions as set forth in subsection (5)(e) of this Rule.
  - (e) **Notice of Ineligible Un-priced Technical Bid.** When CPCA determines a Bidder's un-priced technical Bid to be ineligible, such Bidder shall not be afforded an additional opportunity to supplement its technical Bids.
  - (f) **Discussion of Un-priced Technical Bids.** The Department may seek clarification of a technical Bid by any eligible, or potentially eligible Bidder. During the course of such Discussions, the Department shall not disclose any information derived from one un-priced technical Bid to any other Bidder. Once Discussions are begun, any Bidder who has not been notified that its Bid has been finally found ineligible may submit supplemental information amending its technical Bid at any time until the Closing of the final step established by the Solicitation Document. Such submission may be made at the request of the Department or upon the Bidder's own initiative.

- (g) **Mistakes During Multistep Sealed Bidding.** Mistakes may be corrected or Bids may be withdrawn during phase one:
  - (A) Before un-priced technical Bids are considered;
  - (B) After any Discussions have commenced under subsection(5)(e);
  - (C) When responding to any Addenda of the Invitation to Bid; or
  - (D) In accord with 47-0470.
- (6) **Procedure for Phase Two of Multistep Sealed Bids.**
  - (a) **Initiation.** Upon the completion of phase one, CPCA shall either:
    - (A) Open price Bids submitted in phase one (if price Bids were required to be submitted) from Bidders whose un-priced technical Bids were found to be eligible; or
    - (B) If price Bids have not been submitted, technical Discussions have been held, or Addenda to the Invitation to Bid have been issued, invite each eligible Bidder to submit a price Bid.
  - (b) **Conduct.** Phase Two shall be conducted as any other competitive sealed Bid Procurement except:
    - (A) As specifically set forth in this Rule;
    - (B) No public notice need be given of this invitation to submit price Bids because such notice was previously given.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055

#### **47-0260 Competitive Sealed Proposals**

- (1) The County may solicit and Award a Public Contract for Goods or services, or may Award multiple Public Contracts for Goods or services when specified in the Request for Proposals, by requesting and evaluating competitive sealed Proposals. The CPCA Manager 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.
- (2) The Request for Proposals shall include:
  - (a) A time and date by which sealed Proposals shall be received, and a place at which the Proposals shall be submitted, and may, in the sole discretion of the County, direct or permit the submission and receipt of Proposals by electronic means.
  - (b) The time, date and place of Opening;
  - (c) The office where the Solicitation Document may be reviewed;
  - (d) The name and title of the person designated for receipt of Proposals and the person designated by the CPCA Manager as the contact person for the Procurement, if different;
  - (e) The character of the Goods or Services the Department is purchasing including, if applicable, a description of the acquisition, Specifications, delivery or performance schedule, inspection and acceptance requirements;

- (f) A time, date and place that prequalification applications, if any, shall be filed and the classes of Work, if any, for which Proposers shall be prequalified in accordance with Rule 47-0550;
  - (g) Notice of any pre-Offer conference including the time, date and location of any pre-Offer conference and whether attendance at the conference will be mandatory or voluntary and a provision that provides that statements made by the Department's representatives at the conference are not binding upon the Department unless confirmed by Written Addendum;
  - (h) The form and instructions for submission of Proposals and any other special information, e.g., whether Proposals may be submitted by electronic means;
  - (i) Contractor's certification of nondiscrimination in obtaining required subcontractors in accordance with Rule 46-0210(3);
  - (j) How the County will notify Proposers of Addenda and how the County will make Addenda available. (*See*, Rule 47-0430);
  - (k) The anticipated Solicitation schedule, deadlines, protest process;
  - (l) The evaluation process, including but not limited to 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, such factors shall be reasonable estimates of actual future costs based on information available to the Department;
  - (m) The selection criteria, which may include, but is not limited to, negotiation with the highest ranked Proposer, competitive Negotiations, multiple-tiered competition designed to identify a class of Proposers that fall within a Competitive Range or to otherwise eliminate from consideration a class of lower ranked Proposers, or any combination of methods, as authorized or prescribed by these Rules;
  - (n) Whether the County intends to Award Contracts to more than one (1) Proposer pursuant to Rule 47-0600(4)(d), and, if so, the manner in which it will determine the number of Contracts it will Award.
  - (o) A statement that the County may cancel the Procurement or reject any or all Proposals in accordance with Rule 47-0660;
  - (p) A statement that "Contractors shall use recyclable products and products which contain recycled content to the maximum extent economically feasible in the performance of the Contract Work set forth in this document;" (*See*, Rule 46-0320(1)(e).
  - (q) A statement that requires the Contractor or subcontractor to possess an asbestos abatement license, if required under ORS 468A.710;
  - (r) All contractual terms and conditions applicable to the Procurement, including Contract terms and conditions, including a provision indicating whether the Contractor can assign the Contract, delegate its duties, or subcontract the Goods or Services without prior Written approval from the County, and:
  - (s) Where applicable, requirements for payment of a Living Wage.
- (3) The Request for Proposals may also, if applicable:

- (a) Identify those contractual terms or conditions the Department reserves, in the Request for Proposals, for negotiation with Proposers;
  - (b) Request that Proposers propose contractual terms and conditions that relate to subject matter reasonably identified in the Request for Proposals;
  - (c) Contain or incorporate the form and content of the Contract that the County will accept, or suggested Contract terms and conditions that nevertheless may be the subject of Negotiations with Proposers;
- (4) The County may require Proposal security in any form deemed prudent by the County. Proposal security shall serve the same function with respect to requests for Proposals as bid security serves with respect to invitations to bid under Rule 47-0255(2).
- (a) CPCA shall return the Proposal security to all Proposers upon the execution of the Contract.
  - (b) The County may retain the Proposal security if a Proposer who is awarded a Contract fails to promptly and properly execute the Contract. For purposes of this paragraph, prompt and proper execution of the Contract includes all action by a Proposer that is necessary to the formation of a Contract in accordance with the Request for Proposals, including the posting of performance security and the submission of proof of insurance when required by the Request for Proposals. If Contract Negotiations or competitive Negotiations are conducted, the failure, prior to Award, of the County and a Proposer to reach agreement does not constitute grounds for the retention of Proposal security.
- (5) Public notice of the Request for Proposals shall be given in the same manner as provided for public notice of invitations to bid in Rule 47-0300.
- (6) Notwithstanding ORS 192.410 to 192.505, Proposals may be opened in a manner to avoid disclosure of contents to competing Proposers during, when applicable, the process of negotiation, but the CPCA Manager shall record and make available the identity of all Proposers as part of the County's public records from and after the Opening of the Proposals. Notwithstanding ORS 192.410 to 192.505, Proposals are not required to be open for public inspection until after the notice of intent to Award a Contract is issued. The fact that Proposals are opened at a meeting, as defined in ORS 192.610, does not make their contents subject to disclosure, regardless of whether the public body opening the Proposals fails to give notice of or provide for an executive session for the purpose of opening Proposals.
- (a) Notwithstanding any requirement to make Proposals open to public inspection after the County's issuance of notice of intent to Award a Contract, the County may withhold from disclosure to the public materials included in a Proposal that are exempt or conditionally exempt from disclosure under ORS 192.501 or 192.502.
  - (b) If a Request for Proposals is canceled under ORS 279B.100 after Proposals are received, the County may return a Proposal to the Proposer that made the Proposal. The contracting agency shall keep a list of returned Proposals in the file for the solicitation.
- (7) As provided in the Request for Proposals or in Written Addenda issued thereunder, the Department 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 requirements or to consider and respond to requests for modifications of the Proposal requirements. The Department shall use procedures designed to accord Proposers fair and equal treatment with respect to any opportunity for Discussion and revision of Proposals.

- (a) For purposes of evaluation, when provided for in the Request for Proposals, the Department may employ methods of contractor selection that include, but are not limited to:
  - (A) An Award or awards based solely on the ranking of Proposals;
  - (B) Discussions leading to best and final offers, in which the Department may not disclose private Discussions leading to best and final offers;
  - (C) Discussions leading to best and final offers, in which the Department may not disclose information derived from Proposals submitted by competing Proposers;
  - (D) Serial Negotiations, beginning with the highest ranked Proposer;
  - (E) Competitive simultaneous Negotiations;
  - (F) Multiple-tiered competition designed to identify, at each level, a class of Proposers that fall within a Competitive Range or to otherwise eliminate from consideration a class of lower ranked Proposers;
  - (G) A multistep Request for Proposals requesting the submission of unpriced technical submittals, and then later issuing a Request for Proposals limited to the Proposers whose technical submittals the Department had determined to be qualified under the criteria set forth in the initial Request for Proposals; or
  - (H) Any combination of methods described in this paragraph,
- (b) Revisions of Proposals may be permitted after the submission of Proposals and before Award for the purpose of obtaining best offers or best and final offers.
- (c) After the opening of Proposals, the CPCA Manager may issue or electronically post an Addendum to the Request for Proposals 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 CPCA Manager 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 CPCA Manager shall issue or post the Addendum at least five (5) Days before the start of the subject tier of competition or as otherwise determined by the Department to be adequate to allow eligible Proposers to prepare for the competition in accordance with these Rules.
- (8) Any Solicitation or Procurement described in a Solicitation may be canceled, rejected, delayed or suspended as provided in Rule 47-0660.
- (9) The Solicitation shall describe the methods by which the agency will make the results of each tier of competitive evaluation available to the Proposers who competed in the tier. The Solicitation shall include a description of the manner in which the Proposers who are eliminated from further competition may protest or otherwise object to the County's decision.
- (10) The CPCA Manager shall issue or electronically post the notice of intent to Award described in Rule 47-0300 to each Proposer who was evaluated in the final competitive tier.
- (11) If a Contract is awarded, the Contract shall be awarded to the Responsible Proposer whose Proposal the County determines in Writing to be the most Advantageous to the County based on the evaluation process and evaluation factors described in the Request for Proposals, any applicable preferences described in Rules 46-0310 and 46-0320 and, when applicable, the outcome of any Negotiations authorized by the Request for Proposals. Other factors may not be used in the evaluation. When the Request for Proposals specifies or authorizes the Award of multiple Public Contracts, the County shall Award Public Contracts to the Responsible

Proposers who qualify for the Award of a Contract under the terms of the Request for Proposals.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

#### **47-0261 Procedures for Competitive Range, Multi-tiered and Multistep Proposals**

- (1) **Generally.** A Department may procure Goods or Services employing any combination of the methods of Contractor selection as set forth in Rule 47-0260. In addition to the procedures set forth in Rules 47-0300 to 47-0490 for methods of Contractor selection that call for the establishment of a Competitive Range or include Discussions or Negotiations, a Department shall employ the procedures set forth in this Rule for Competitive Range, multi-tiered and multistep Proposals.
- (2) **Solicitation Protest.** The Solicitation Document shall provide that prior to the initial Closing, there shall be opportunity to protest the Solicitation under Rule 47-0720.
- (3) **Addenda Protest.** The Solicitation Document may provide for an opportunity to protest, pursuant to Rule 47-0430, any Addenda issued pursuant to 47-0260.
- (4) **Exclusion Protest.** The Solicitation Document may provide that, before the notice of an intent to Award there shall be an opportunity for a Proposer to protest exclusion from the Competitive Range or from subsequent phases of multi-tiered or multistep sealed Proposals as set forth in 47-0720.
- (5) **Administrative Remedy.** Proposers may submit a protest to any Addenda or to any action by the County that has the effect of excluding the Proposer from subsequent phases of a multiple-tiered or multistep Request for Proposals to the extent such protests are provided for in the Solicitation Document. Failure to so protest shall be considered the Proposer's failure to pursue an administrative remedy made available to the Proposer by the County.
- (6) **Award Protest.** The Solicitation Document shall provide an opportunity to protest the intent to Award a Contract pursuant to Rule 47-0740. An Affected Proposer may protest, for any of the bases set forth in Rule 47-0720, its exclusion from the Competitive Range or any phase of a multi-tiered or multistep sealed Proposal, or an Addendum issued following initial Closing, if the County did not previously provide Proposers the opportunity to protest such exclusion or Addendum.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

#### **47-0262 Competitive Range, Discussions and Negotiations**

- (1) **Competitive Range.** When the Solicitation process conducted pursuant to Rule 47-0260 calls for the establishment of a Competitive Range at any stage in the Procurement process, it shall do so as follows:
  - (a) **Determining Competitive Range.**
    - (A) The Department shall establish a Competitive Range after evaluating all Responsive Proposals in accordance with the evaluation criteria set forth in the Request for Proposals. After evaluation of all Proposals in accordance with the criteria set forth in the Request for Proposals, the Department shall determine and rank the Proposers in the Competitive Range.

- (B) The Department may increase the number of Proposers in the Competitive Range if the Department's evaluation of Proposals establishes a natural break in the scores of Proposers indicating a number of Proposers greater than the initial Competitive Range are closely competitive, or have a reasonable chance of being determined the most Advantageous Proposer. The Department may decrease the number of Proposers in the initial Competitive Range only if the excluded Proposers have no reasonable chance to be the most Advantageous Proposer.
- (b) **Protesting Competitive Range.** CPCA shall provide Written notice to all Proposers identifying Proposers in the Competitive Range. The Solicitation Document may provide an opportunity for Proposers excluded from the Competitive Range to protest the Department's evaluation and determination of the Competitive Range in accordance with Rule 47-0720.
- (c) **Intent to Award; Discuss or Negotiate.** After determination of the Competitive Range and after any protest period provided in accordance with subsection (1)(b) expires, or after the County has provided a final response to any protest, whichever date is later, the County may either:
  - (A) Provide Written notice to all Proposers in the Competitive Range of its intent to Award the Contract to the highest-ranked Proposer in the Competitive Range.
    - (i) An unsuccessful Proposer may protest the County's intent to Award in accordance with Rule 47-0740.
    - (ii) After the protest period provided in accordance with 47-0740 expires, or after the County has provided a final response to any protest, whichever date is later, the Department shall commence Negotiations in accordance with subsection (3) of this Rule with Proposers in the Competitive Range; or
  - (B) Engage in Discussions with Proposers in the Competitive Range and accept revised Proposals from them as set forth in subsection (2) of this Rule and following such Discussions and receipt and evaluation of revised Proposals, conduct Negotiations as set forth in subsection (3) of this Rule with the Proposers in the Competitive Range.
- (2) **Discussions; Revised Proposals.** If the Department chooses to enter into Discussions with and receive best and final Offers (See, subsection (4) of this Rule below), the Department shall proceed as follows:
  - (a) **Initiating Discussions.** The Department shall initiate oral or Written Discussions with all Proposers submitting Responsive Proposals or all Proposers in the Competitive Range (collectively "eligible Proposers") regarding their Proposals with respect to the provisions of the RFP that the Department identified in the RFP as the subject of Discussions. The Department may conduct Discussions for the following purposes:
    - (A) Informing potentially eligible Proposers of deficiencies in their initial Proposals;
    - (B) Notifying eligible Proposers of parts of their Proposals for which the Department would like additional information; or
    - (C) Otherwise allowing eligible Proposers to develop revised Proposals that will allow the Department to obtain the best Proposal based on the requirements and evaluation criteria set forth in the Request for Proposals.
  - (b) **Conducting Discussions.** The Department may conduct Discussions with each eligible Proposer necessary to fulfill the purposes of this subsection (2), but need not conduct the

same amount of Discussions with each eligible Proposer. The Department may terminate Discussions with any eligible Proposer at any time. However, the Department shall offer all eligible Proposers the same opportunity to discuss their Proposals with the Department before notice is given by the CPCA Manager to eligible Proposers of the date and time pursuant to subsection (4) that best and final Proposals will be due.

- (A) In conducting Discussions, the Department:
  - (i) Shall treat all eligible Proposers fairly and shall not favor any eligible Proposer over another;
  - (ii) Shall not disclose other eligible Proposer's Proposals or Discussions.
  - (iii) May adjust the evaluation of a Proposal as a result of a Discussion under this section. The conditions, terms, or price of the Proposal may be altered or otherwise changed during the course of the Discussions provided the changes are within the scope of the Request for Proposals.
- (B) At any time during the time allowed for Discussions, the Department may:
  - (i) Continue Discussions with a particular eligible Proposer;
  - (ii) Terminate Discussions with a particular eligible Proposer and continue Discussions with other eligible Proposers; or
  - (iii) Conclude Discussions with all remaining eligible Proposers.
- (C) Upon conclusion of Discussions with the remaining eligible Proposers, CPCA shall provide notice pursuant to subsection (4) of this Rule to the eligible Proposers requesting best and final Offers.

**(3) Negotiations.**

- (a) **Initiating Negotiations.** The Department may commence serial Negotiations with the highest-ranked eligible Proposers or commence simultaneous Negotiations with all eligible Proposers as follows:
  - (A) After initial determination of which Proposals are Responsive; or
  - (B) After initial determination of the Competitive Range in accordance with subsection (1) of this Rule; or
  - (C) After conclusion of Discussions with all eligible Proposers and evaluation of revised Proposals (See subsection (2) of this Rule).
- (b) **Conducting Negotiations.**
  - (A) **Scope.** The Department may negotiate:
    - (i) The statement of Work;
    - (ii) The Contract Price as it is affected by negotiating the statement of Work; and
    - (iii) Any other terms and conditions reasonably related to those expressly authorized for negotiation in the Request for Proposals or Addenda thereto. Accordingly, Proposers shall not submit, and the Department shall not accept, for negotiation any alternative terms and conditions that are not reasonably related to those expressly authorized for negotiation in the Request for Proposals or Addenda thereto.

- (B) **Terminating Negotiations.** At any time during Discussions or Negotiations that the Department conducts in accordance with subsections (2) or (3) of this Rule, the Department may terminate Discussions or Negotiations with the highest-ranked Proposer, or the Proposer with whom it is currently discussing or negotiating, if the Department reasonably believes that:
  - (i) The Proposer is not discussing or negotiating in good faith; or
  - (ii) 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.
- (c) **Continuing Serial Negotiations.** If the Department is conducting serial Negotiations and the Department terminates Negotiations with a Proposer in accordance with paragraph 3(b)(B) of this Rule, the Department may then commence Negotiations with the next highest scoring Proposer in the Competitive Range, and continue the process described in subsection (3) of this Rule until the Department has either:
  - (A) Determined to recommend Award of the Contract to the Proposer with whom it is currently discussing or negotiating; or
  - (B) Completed one round of Discussions or Negotiations with all Proposers in the Competitive Range, unless the Department provided for more than one round of Discussions or Negotiations in the Request for Proposals, in which case the Department has completed all rounds of Discussions or Negotiations.
- (d) **Competitive Simultaneous Negotiations.** If the Department chooses to conduct competitive Negotiations, the Department may negotiate simultaneously with competing Proposers. The Department:
  - (A) Shall treat all Proposers fairly and shall not favor any Proposer over another;
  - (B) May disclose other Proposer's Proposals or the substance of Negotiations with other Proposers only if the CPCA Manager notifies all of the Proposers with whom the Department will engage in Negotiations of the Department's intent to disclose before engaging in Negotiations with any Proposer.
- (e) Any oral modification of a Proposal resulting from Negotiations under this subsection (3) shall be reduced to Writing by the Proposer.
- (4) **Best and Final Offers.** If best and final Offers are required, CPCA shall establish a common date and time by which Proposers shall submit best and final Offers. Best and final Offers shall be submitted only once; provided, however, the Department may make a Written determination that it is in the Department's best interest to conduct additional Discussions, Negotiations or change the Department's requirements and require another submission of best and final Offers. Otherwise, no Discussion of or changes in the best and final Offers shall be allowed prior to Award. Proposers shall also be informed if they do not submit notice of withdrawal or another best and final Offer, their immediately previous Offer will be construed as their best and final Offer. The Department shall evaluate Offers as modified by the best and final Offer. The Department shall conduct evaluations as described in Rule 47-0600. The Department shall not modify evaluation factors or their relative importance after the date and time that best and final Offers are due.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

#### 47-0263 Multistep Sealed Proposals

- (1) **Generally.** A Department may procure Goods or Services by using multistep competitive sealed Proposals pursuant to Rule 47-0260.
- (2) **Phased Process.** Multistep sealed Proposals is a phased Procurement process that seeks necessary information or un-priced technical Proposals in the initial phase and invites Proposers who submitted technically qualified Proposals in the initial phase to submit competitive sealed price Proposals in the final phase. The Contract shall be Awarded to the Responsible Proposer submitting the most Advantageous Proposal in accordance with the terms of the Solicitation Document applicable to the final phase. If time is a factor, the Solicitation Document may require Proposers to submit a separate sealed price Proposal during the initial phase to be opened after the technical evaluation.
- (3) **Public Notice.** Whenever multistep sealed Proposals are used, public notice for the first phase shall be given in accordance with Rule 47-0300. Public notice is not required for the subsequent phases. However, CPCA shall give notice of the subsequent phases to all Proposers and inform any Proposers excluded from the subsequent phases of the right, if any, to protest exclusion pursuant to Rule 47-0720.
- (4) **Procedure for Phase One of Multistep Sealed Proposals.**
  - (a) **Form.** Multistep sealed Proposals shall be initiated by the issuance of a Request for Proposal in the form and manner required for competitive sealed Proposals except as provided in this Rule. In addition to the requirements set forth in Rule 47-0260, the multistep Request for Proposal shall state:
    - (A) That un-priced technical Proposals are requested;
    - (B) Whether price Proposals are to be submitted at the same time as un-priced technical Proposals; that if they are, such price Proposals shall be submitted in a separate sealed envelope;
    - (C) That the Solicitation is a multistep sealed Proposal Procurement, and that priced Proposals will be considered only in the subsequent phases from those Proposers whose un-priced technical Proposals are found qualified in the first phase;
    - (D) The criteria to be used in the evaluation of un-priced technical Proposals;
    - (E) That the Department, to the extent that it finds necessary, may conduct oral or Written Discussions of the un-priced technical Proposals;
    - (F) That the Goods or Services being procured shall be furnished generally in accordance with the Proposer's technical Proposal as found to be finally qualified and shall meet the requirements of the Request for Proposal.
    - (G) Whether Proposers excluded from subsequent phases have a right to protest the exclusion. Such information can be given or changed through Addenda.
  - (b) **Addenda to the Request for Proposal.** After receipt of un-priced technical Proposals, Addenda to the Request for Proposal shall be distributed only to Proposers who submitted un-priced technical Proposals.
  - (c) **Receipt and Handling of Un-priced Technical Proposals.** Un-priced technical Proposals need not be opened publicly.

- (d) **Evaluation of Un-priced Technical Proposals.** Un-priced technical Proposals shall be evaluated solely in accordance with the criteria set forth in the Request for Proposal. Un-priced technical Proposals shall be categorized as:
  - (A) Qualified;
  - (B) Potentially qualified; that is, reasonably susceptible of being made qualified; or
  - (C) Unqualified. CPCA shall record in Writing the basis for determining a Proposal unqualified and make it part of the Procurement File. The Department may initiate phase two of the procedure if, in the Department's opinion, there are sufficient qualified or potentially qualified un-priced technical Proposals to assure effective price competition in the second phase without technical Discussions. If the Department finds that such is not the case, CPCA shall issue an Addendum to the Request for Proposal or engage in technical Discussions as set forth in subsection 4(e).
- (e) **Discussion of Un-priced Technical Proposals.** The Department may seek clarification of a technical Proposal of any Proposer who submits a qualified, or potentially qualified technical Proposal. During the course of such Discussions, the Department shall not disclose any information derived from one un-priced technical Proposal to any other Proposer. Once Discussions are begun, any Proposer who has not been notified that its Proposal has been finally found unqualified may submit supplemental information amending its technical Proposal at any time until the Closing date established in Solicitation Document. Such submission may be made at the request of the Department or upon the Proposer's own initiative.
- (f) **Notice of Unqualified Un-priced Technical Proposal.** When the County determines a Proposer's un-priced technical Proposal to be unqualified, such Proposer shall not be afforded an additional opportunity to supplement its technical Proposals.
- (g) **Mistakes During Multistep Sealed Proposals.** Mistakes may be corrected or Proposals may be withdrawn during phase one:
  - (A) Before un-priced technical Proposals are considered;
  - (B) After any Discussions have commenced under subsection 4(e) of this Rule;
  - (C) When responding to any Addenda to the Request for Proposal; or
  - (D) In accordance with 47-0470.
- (5) **Procedure for Subsequent Phases.**
  - (a) **Initiation.** Upon the completion of phase one, CPCA shall either:
    - (A) Open price Proposals submitted in phase one (if price Proposals were required to be submitted) from Proposers whose un-priced technical Proposals were found to be qualified; or
    - (B) If price Proposals have not been submitted, technical Discussions have been held, or Addenda to the Request for Proposals have been issued, invite each qualified Proposer to submit price Proposals.
  - (b) **Conduct.** Phase two shall be conducted as any other competitive sealed Proposal Solicitation except:
    - (A) As specifically set forth in this Rule; and

- (B) No public notice need be given of the request to submit price Proposals because such notice was previously given.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

#### 47-0265 Small Procurements

- (1) For Procurements of Goods or Services less than or equal to \$5,000 a Department may Award a Contract as a small Procurement in accordance with this Rule. A Procurement may not be artificially divided or fragmented so as to constitute a small Procurement under this section.
- (2) If the Goods or services are available from a QRF, they shall be purchased as provided in Division 55 of these Rules and not as provided in this Rule.
- (3) Small Procurements are exempt from Competitive Solicitation; however, Departments shall where practicable, obtain Quotes as provided in Rule 47-0270.
- (4) A Department may amend a Public Contract Awarded as a small Procurement in accordance 47-0800 (3), but the cumulative amendments shall not increase the total Contract Price to greater than \$6,000. Any amendment that causes a Small Procurement to exceed \$6,000 will be treated as an unauthorized purchase and shall be subject to the requirements of PCRB Rule 20-0030.

Stat. Auth.: ORS 279A.065 & ORS 279B.065

Stats. Implemented: ORS 279B.065

#### 47-0270 Intermediate Procurements

- (1) **Generally.** For Procurements of Goods or Services greater than \$5000 and less than or equal to \$150,000, a Department may Award a Contract as an Intermediate Procurement.
- (2) **QRFs.** If the Goods or services are available from a QRF, they shall be purchased as provided in Division 55 of these Rules and not as provided in this Rule.
- (3) **Fragmentation.** A Procurement may not be artificially divided or fragmented so as to constitute an Intermediate Procurement under this section.
- (4) **Award.** If a Contract is awarded, the Department shall Award the Contract to the responsive, Responsible Offeror who provides the lowest Quote, or if criteria other than price are to be considered, whose Proposal is the highest scoring Proposal. If the Department intends to consider criteria other than price, the Solicitation shall state the criteria that will be considered in making the Award. Criteria may include experience, expertise, product functionality, suitability for a particular purpose and Contractor responsibility under ORS 279B.110.
- (5) **Amendments.** A Department may amend a Public Contract Awarded as an Intermediate Procurement in accordance with 47-0800(3), but the cumulative amendments shall not increase the total Contract Price to a sum that is greater than \$150,000. Increases in excess of this limit shall be approved by the Board prior to authorization for the additional Goods or services.
- (6) **Procedure for Solicitation of Intermediate Procurements.** For Procurements for Goods or services greater than \$5000 and less than or equal to \$150,000 Departments may seek informally solicited price Quotes or competitive proposal Quotes. Solicitations and Offers for Intermediate Procurements shall be in Writing and may be electronic, by Facsimile transmission or by mail, except that Solicitations and Offers for Goods or services may be oral

where the Contract Award is based solely on price and is equal to or less than \$75,000. The requirements for an Intermediate Procurement are as follows:

- (a) A minimum of three (3) Quotes shall be solicited from vendors who can reasonably be expected to provide the required Goods or services. One of every three (3) Quotes solicited shall be from an MBE, WBE or ESB Contractor, if available.
  - (b) The Department shall make a Written record of all vendors from whom Quotes were solicited and the amount of the Quotes received. If three (3) Quotes are not available, a lesser number will suffice provided a Written record is made of the effort to obtain three (3) Quotes.
- (7) **Price Agreements.** A Price Agreement solicited pursuant to subsection (6) or subsection (8) (b) may be used for Contracts up to five years duration and for a maximum total contract amount of \$150,000 or if procured under subsection (8) (a) may be used for Contracts up to five years duration and for a maximum total contract amount of \$75,000.
- (8) **Solicitations for Contracts for Minor Alteration, Ordinary Repair or Maintenance Necessary to Preserve a Public Improvement.**
- (a) **Solicitations for Contracts for minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement between \$5,000 and \$75,000.**  
Departments may Award Public Contracts between \$5,000 and \$75,000 for minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement as an Intermediate Procurement if the Contract is for a single project and is not a component of or related to any other project, and the requirements of this subsection are met. When the amount of the Contract is more than \$5,000 but equal to or less than \$75,000, Quotes shall be solicited in the following manner:
    - (A) A minimum of three (3) Quotes shall be solicited from vendors who can reasonably be expected to provide a Quote. If three (3) Quotes are not available, a lesser number will suffice provided a Written record is made of the effort to obtain the Quotes.
    - (B) Of the three (3) Quotes provided for in subsection (A) above, one shall be obtained from an MBE, one from a WBE, and one from an ESB. More than three (3) Quotes may be solicited providing that the additional Quotes are solicited from MBEs, WBEs and ESBs. Additional Quotes shall not be solicited except as provided in the following subsection.
    - (C) If a Quote is not available in a particular category from an MBE, WBE, or ESB Contractor certified by the State of Oregon for the type of Work required, an additional Quote shall be solicited from one of the other categories. If three (3) Quotes are not available from all of the categories combined, the remaining Quote(s) may be solicited from any other Contractor. A Quote shall be "not available" in a specific category (MBE, WBE, or ESB) if all contractors certified by the State in that category and located within 75 miles from the place where the Contract is to be performed, have been advised of the contracting opportunity, have been given a reasonable period of time under the circumstances to make a Quote, and have failed to provide a Quote within the time specified.
    - (D) If three (3) Quotes are not reasonably available from all sources, the Department shall make a Written record of the effort made to obtain those Quotes.
  - (b) **Solicitations for Contracts for minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement between \$75,000 and \$150,000.**

Solicitations for Contracts for minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement between \$75,000 and \$150,000 shall be done in accordance with subsections (1) to (6), (9) and (10) of this Rule.

- (9) **Written Record.** The Department shall make a Written record in the Procurement File of all vendors from whom Quotes were solicited and the amount of the Quotes received.
- (10) **BOLI Notification.** The Department shall provide notification of Award to BOLI as required by ORS 279C.835.
- (11) **Contract Requirements.** When the Contract is for a minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement, the Department shall comply with:
  - (a) The prevailing wage provisions of ORS 279C.800 to 279C.870, including when applicable;
    - i) If no federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(a) shall be attached to the contract.
    - ii) If federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(b) shall be attached to the contract.
  - (b) The performance bond, payment bond and BOLI Public Works bond requirements of ORS 279C.380 and 279C.836 (see Rules 49-0460 and 49-0815);
  - (c) The contractor registration requirements of ORS 701; and
  - (d) Any other law applicable to such a Contract.
- (12) **Annual Report.** The CPCA Manager shall prepare a report to the Board on an annual basis which provides an evaluation of the procedures for obtaining Quotes in subsection (8). The annual report shall include a recommendation whether the program should be continued. If the CPCA Manager recommends that the Program be continued, the recommendation shall include any proposed improvements to the Program.

Stat. Auth.: ORS 279A.065 & ORS 279B.070

Stats. Implemented: ORS 279B.070

#### **47-0275 Sole-Source Procurements**

- (1) The County may Award a Contract for Goods or services without competition when it is determined that the Goods or services, or class of Goods or services, are available from only one source. Such determination shall be made by the CPCA Manager for Procurements under \$150,000. For all other Procurements the determination shall be made by the Board. The determination shall be made based on Written findings that shall include, where applicable, findings:
  - (a) That the efficient utilization of existing Goods requires the acquisition of compatible Goods or services;
  - (b) That the Goods or services required for the exchange of software or data with other public or private agencies are available from only one source;
  - (c) That the Goods or services are for use in a pilot or an experimental project; or
  - (d) Other findings that support the conclusion that the Goods or services are available from only one source.

- (2) To the extent reasonably practical, the Department shall negotiate with the sole source to obtain Contract terms Advantageous to the County.
- (3) Except for Contracts specifically exempted by these Rules, a Department shall give public notice on all contracts in excess of \$75,000 of the County's determination that the Goods or Services or class of Goods or Services are available from only one source as set forth in Rule 47-0300(1). The public notice shall describe the Goods or Services to be acquired by a Sole-Source Procurement, identify the prospective Contractor and include the date, time and place that protests are due. The notice shall be given at least seven (7) Days before the Award of the Contract to allow for protests pursuant to Rule 47-0710, unless the CPCA Manager gives prior Written approval to reduce the number of Days based upon extraordinary circumstances that do not meet the criteria for an Emergency Procurement pursuant to Rule 47-0280.
- (4) An Affected Person may protest, in accordance with Rule 47-0710, the determination that the Goods or Services or class of Goods or Services are available from only one source.
- (5) Unless unusual circumstances warrant a longer exemption period, this type of exemption will not be approved for more than two (2) years.
- (6) Departments shall not select a Sole-Source Procurement to avoid a competitive Procurement.

Stat. Auth.: ORS 279A.065 & ORS 279B.075

Stats. Implemented: ORS 279B.075

#### **47-0280 Emergency Procurements/Contracts**

- (1) Pursuant to the requirements of this Rule, the County, may enter into a Public Contract for any amount without competitive Solicitation if an Emergency exists. Emergency means circumstances that could not have been reasonably foreseen that create a substantial risk of loss, damage, interruption of services or threat to public health or safety that requires prompt execution of a Contract to remedy the condition.
- (2) A Department seeking authority to enter into an Emergency Contract shall:
  - (a) Make a Written declaration of Emergency in the Procurement File, signed by the Department Director, which includes findings describing the Emergency circumstances that require the prompt performance of the Contract, stating the anticipated harm from failure to establish the Contract on an expedited basis; and
  - (b) Seek competition to the extent practicable under the circumstances and document the method used for selection of the particular Contractor; and
  - (c) Record in the Procurement File the measures taken under subsection (2)(b) of this section to encourage competition, the amounts of the Bids, Quotes or Proposals obtained, and the reason for selecting the Contractor; and
  - (d) Submit the information and documents described in subsections (2)(a), (2)(b) and (2)(c) above to the Chair with notice to the CPCA Manager and obtain authorization from the Chair to enter into the Contract.
- (3) The Chair is authorized to declare the existence of an Emergency and to authorize execution of contracts in any amount required by Emergency circumstances.
- (4) Although no dollar limitation applies to Emergency Contracts, the scope of the Contract shall be limited to Work that is necessary and appropriate to remedy the conditions creating the Emergency as described in the declaration.

- (5) Any Contract awarded under this Rule shall be awarded within 60 Days following declaration of the Emergency unless an extension is granted by the Chair.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.080

#### **47-0285 Special Procurements**

- (1) As used in this Rule and Rules 47-0700 and 47-0730:
- (a) "Special Procurement" means, unless the context requires otherwise, a Class Special Procurement, a Contract-Specific Special Procurement or both. A Special Procurement allows the County to custom-design any contracting approach it determines will meet its procurement needs.
  - (b) "Class Special Procurement" means a contracting procedure that differs from the procedures described in these Rules and is for the purpose of entering into a series of contracts over time for the acquisition of a specified class of Goods or services.
  - (c) "Contract-Specific Special Procurement" means a contracting procedure that differs from the procedures described in these Rules and is for the purpose of entering into a single Contract or a number of related contracts for the acquisition of specified Goods or services on a one-time basis or for a single project.
- (2) To seek approval of a Special Procurement, a Department shall submit a Written request to the CPCA Manager, that describes the proposed contracting procedure, the Goods or services or the class of Goods or services to be acquired through the Special Procurement and the circumstances that justify the use of a Special Procurement under the standards set forth in subsection (3) of this Rule. The alternative process shall be clearly described and complete, and shall include a description of the Supplies and Services to be acquired, provisions for advertisement, a proposed Solicitation process, including the criteria for selection, and the proposed Contract document. The CPCA Manager has the authority to approve, deny or refer to the Board Special Procurement requests up to \$150,000. Special Procurement requests in excess of \$150,000 shall be approved by the Board. The CPCA Manager or the Board may require any additional information deemed necessary to evaluate the request for approval of the Special Procurement.
- (3) The CPCA Manager or the Board may approve a Special Procurement if the CPCA Manager or the Board finds that a Written request submitted under subsection (2) of this section demonstrates that the use of a Special Procurement as described in the request, or an alternative procedure prescribed by the CPCA Manager or the Board, will:
- (a) Be unlikely to encourage favoritism in the awarding of Public Contracts or to substantially diminish competition for Public Contracts; and
  - (b) Result in substantial cost savings to the County or to the public; or
  - (c) Otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with requirements of these Rules.
- (4) The CPCA Manager shall give public notice of the approval of Special Procurements that are in excess of \$150,000 at least seven (7) Days prior to Award of the Contract. Notice shall be given in a manner similar to public notice of competitive sealed Bids under Rule 47-0300. The public notice shall describe the Goods or Services or class of Goods or Services to be acquired through the Special Procurement.

- (5) If a Contract is awarded through a Special Procurement, the County shall Award the Contract to the Offeror whose Offer the County determines in Writing to be the most Advantageous to the County.
- (6) When the CPCA Manager or the Board approves a Class Special Procurement under this section, the County may Award contracts to acquire Goods or services within the class of Goods or services in accordance with the terms of the CPCA Manager's or the Board's approval without making a subsequent request for a Special Procurement.
- (7) **Protest.** An Affected Person may only protest the approval of Special Procurements in excess of \$150,000. Protests shall be in accordance with Rule 47-0700.
- (8) Purchases pursuant to the Class Special Procurements described in Rule 47-0288 are authorized. The procedures in this Rule shall not apply to the Class Special Procurements authorized in Rule 47-0288.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.085

#### **47-0288 Special Procurements Authorized by Rule**

##### **(1) Brand Names or Products, "or Equal," Single Seller and Sole Source.**

- (a) **Authorization.** Departments are authorized to procure products in accordance with the following procedure:
- (b) **Definitions.** "Procurement of Brand Name 'or Equal' Products" means the Procurement of a product after specifying the registered Brand name of the product or requiring the same Specifications of the Brand Name product.
- (c) **Requirements.**
  - (A) **Specifications.** Solicitation Specifications for Public Contracts shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections (1)(c)(A)(i) and (ii) of this Rule.
    - (i) **"Or Equal" Specification.** A Department may specify a particular brand name, make or product suffixed by "or equal", "or approved equal", "or equivalent", "or approved equivalent", or similar language if there is no other practical method of Specification.
    - (ii) **Specifying a Particular Make or Product.** A Department may specify a brand name, make, or product without an "or equal" or equivalent suffix if there is no other practical method of Specification, after documenting the Procurement File, with the following:
      - (I) A brief description of the Solicitation(s) to be covered including volume of contemplated future purchases;
      - (II) The brand name, mark, or product to be specified; and
      - (III) The reasons the Department is seeking this Procurement method, which shall include at least one of the following findings in the Procurement File:
        - (aa) It is unlikely that Specification of the brand name, mark or product will encourage favoritism in the Award of the Public Contracts or substantially diminish competition; or

- (bb) Specification of the brand name, mark or product would result in substantial cost savings to the Department; or
  - (cc) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment or supplies.
- (B) **Public Notice.** The County shall make a reasonable effort to notify all known suppliers of the specified product and invite such suppliers to submit competitive bids or Proposals; or shall document the Procurement File with findings of current market research to support the determination that the product is available from only one seller. For contracts in excess of \$150,000 this requirement shall be satisfied by posting a notice on the CPCA Website for a reasonable time period.
- (C) **Purchasing From Sole Source, Single Seller.** A Department may purchase particular Goods or services available from only one source if the Department meets the requirements of Subsection (c) (A) and (B) of this Rule. The Department, prior to purchase, shall submit the Department's findings of current market research which supports the determination that the product or service is available from only one seller or source to the CPCA Manager. The CPCA Manager is authorized to approve the procurement if it does not exceed \$150,000. Procurements in excess of \$150,000 shall be approved by the Board. Unless unusual circumstances warrant a longer contract period this type of contract will not be approved for longer than two (2) years. The Department's findings shall include:
  - (i) A brief description of the Contract or Contracts to be covered including volume of contemplated future purchases;
  - (ii) Description of the product or service to be purchased; and
  - (iii) The reasons the Department is seeking this Procurement method, which shall include at least one (1) of the following:
    - (I) Efficient utilization of existing Supplies and Services requires the acquisition of compatible Supplies and Services; or
    - (II) The required product is data processing equipment which will be used for research where there are requirements for exchange of software and data with other research establishments; or
    - (III) The particular product is for use in a pilot or an experimental project.
- (D) **Single Manufacturer, Multiple Sellers.** The Department may specify a product or service available from only one (1) manufacturer, but available through multiple sellers, if the Department meets the Requirements of Subsection (c)(A) and (B) and the following:
  - (i) If the total purchase is \$5,000 or more but does not exceed \$150,000, competitive Quotes shall be obtained and retained in the Procurement File pursuant to the requirements for Intermediate Procurements in Rule 47-0270;
  - (ii) If the purchase exceeds \$150,000, competitive Bids or Proposals shall be solicited in accordance with Rules 47-0255 to 47-0263.
- (E) **Single Manufacturer, Multiple Purchases.** If a Department intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five (5) years, the Department shall so state in the Procurement File,

the Solicitation Document, and the public notice described in Subsection (c)(B) of this Rule. Such documentation and public notice constitute sufficient notice as to subsequent purchases. If the total purchase amount is estimated to exceed \$150,000, this shall be stated in the advertisement for Bids or Proposals.

- (F) **Competitive Solicitation.** If a Department competitively solicits, it shall comply with the Rules for that method of Solicitation pursuant to Rules 47-0255 to 47-0263, 47-0270 and 47-0285.

(2) **Advertising Contracts.**

- (a) **Authorization.** Departments are authorized to procure advertising from newspapers, magazines and other related print media and from radio and television stations and related media without competitive Solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

(3) **Equipment Maintenance, Repair and Overhaul.**

- (a) **Authorization.** A Department, may enter into a Contract for equipment maintenance, repair or overhaul without competitive Solicitation, subject to the following conditions:
- (A) Service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing; or
- (B) Service or parts required are for sophisticated equipment for which specially trained personnel are required and such personnel are available from only one (1) source; and
- (C) Written documentation supporting the findings determination in subsections 3(a)(A) or (3)(a)(B) above is obtained and prepared and placed in the Procurement File.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

(4) **Contracts for Price Regulated Items.**

- (a) **Authorization.** A Department may contract for the direct purchase of Goods or services where the rate or price for the Goods or services being purchased is established by federal, state, or local regulatory authority without competitive Solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

(5) **Investment Contracts.**

- (a) **Authorization.** A Department may contract for the investment of public funds or the borrowing of funds by the County when such investment or borrowing is contracted pursuant to statute, ordinance, charter, or constitution without competitive Solicitation.

- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.
- (6) **Purchase of Used Personal Property.**
- (a) **Authorization.** A Department may purchase used personal property or equipment without Competitive Solicitation if it has determined and documented in the Procurement File that the purchase will (i) be unlikely to encourage favoritism or diminish competition; and (ii) result in substantial cost savings or promote the public interest. "Used personal property or equipment" is property or equipment which has been placed in its intended use by a previous owner or user for a period of time recognized in the relevant trade or industry as qualifying the personal property or equipment as "used," at the time of the Department purchase. "Used personal property or equipment" generally does not include property or equipment if the Department was the previous user, whether under a lease, as part of a demonstration, trial or pilot project, or similar arrangement.
  - (b) **Process and Criteria.**
    - (A) For purchases of used personal property or equipment not exceeding \$150,000, Departments shall, where feasible, obtain three (3) competitive Quotes, unless the Department has determined and documented that a purchase without obtaining competitive Quotes will result in cost savings to the Department and will not diminish competition or encourage favoritism.
    - (B) If the total purchase is estimated to exceed \$150,000, the Department shall submit a Written request to the CPCA Manager for CPCA to solicit quotes and post on the CPCA website prior to making the purchase.
    - (C) CPCA shall keep a Written record of the Quotes received by CPCA. If three (3) Quotes are not available, a Written record shall be made of the attempt to obtain Quotes.
    - (D) Departments or CPCA shall cite in the Procurement File the subsection of this Rule which authorizes the Procurement.
- (7) **Reverse Auctions.**
- (a) **Process.** A Reverse Auction means a process for the purchase of Supplies and Services by a buyer from the lowest Bidder. The Department as the buyer shall conduct Reverse Auctions by first publishing a Solicitation that describes its requirements, Contract terms and conditions. Then, the Department shall solicit online Bids from all interested Bidders through an Internet-based program. The Solicitation shall set forth a start and end time for Bids and specify the following type of information to be disclosed to Bidders during the Reverse Auction:
    - (A) The prices of the other Bidders or the price of the most competitive Bidder;
    - (B) The rank of each Bidder (e.g., (i) "winning" or "not winning" or (ii) "1st, 2nd, or higher");
    - (C) The scores of the Bidders if the Department 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.

- (b) Before the Reverse Auction commences, Bidders shall be required by the Department to consent to the Contract terms and conditions, either in Writing or by an Internet "click" agreement. The Bidders then compete for the 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 Department. The identity of the 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 Department may cancel this Solicitation if it is in the County's best interest. At the end of this Bidding process, the Contract shall be awarded to the lowest Responsible Bidder or in the case of multiple awards, lowest Responsible Bidders. This process allows the Department to test and determine the suitability of the Goods and services before making the Award. The Department shall comply with the following procedures for this type of Solicitation:
  - (A) **Public Notice.** The Department shall disclose the Reverse Auction process in the Solicitation Documents. The Department shall give notices of the price(s) offered, rank(s), score(s) and related details to the initial Bidders as described in the Solicitation Document. If the purchase exceeds \$150,000 the CPCA Manager shall issue a Notice of Intent to Award. The notice shall be issued at least seven (7) Days prior to making the Award.
  - (B) **Prequalification.** For each Solicitation, on a case-by-case basis, the Department may determine whether prequalification of suppliers is needed. If prequalification is used, the Department shall prequalify suppliers and provide an appeal process in accordance with these Rules.
  - (C) **Authorization.** The Department shall cite in the procurement file the subsection of this rule which authorizes the Procurement.

**(8) Hazardous Material Removal; Oil Cleanup**

- (a) **Authorization.** A Department may enter into Public Contracts without competitive Solicitation when ordered to clean up oil or hazardous waste pursuant to the authority granted the Department of Environmental Quality (DEQ) under ORS Chapter 466, and such DEQ order necessitates the prompt establishment and performance of the Contract in order to comply with the statutes regarding spill or release of oil or hazardous material that have created an Emergency condition.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical. Departments shall document in the Procurement File the circumstances requiring cleanup or a copy of the DEQ order ordering such cleanup. Departments shall not contract for such services pursuant to this Rule in the absence of an order from the Department of Environmental Quality to clean up a site with a time limitation that would not permit hiring a Contractor as otherwise required by these Rules.

**(9) Rating Agency Contracts.**

- (a) **Authorization.** The County may purchase the services of Moody's Investors Service, Standard and Poors or similar rating agencies without competitive solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement.

**(10) Library Databases, Interactive Computer Services and Circulation Materials**

- (a) **Authorization.** Departments may purchase databases, interactive computer services and circulation materials such as books, videos, DVDs, tapes and CDs for Multnomah County Libraries without competitive solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

**(11) Periodicals.**

- (a) **Authorization.** Departments may purchase subscriptions for periodicals, including journals, magazines and similar publications without competitive Solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall use competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

**(12) Institutional Commissaries and Sheriff's Inmate and Juvenile Detainee Welfare Funds**

- (a) **Authorization.** Institutional and residential commissaries and Sheriff's Inmate and Juvenile Detainee Welfare Funds may make purchases using these funds.
- (b) **Process and Criteria.** Purchases using these funds shall be made based upon Written policies and procedures approved by the CPCA Manager.

**(13) Gasoline, Diesel Fuel, Heating Oil, Lubricants and Asphalt**

- (a) **Authorization.** Departments may purchase gasoline, diesel fuel, heating oil, lubricants and asphalt using the Intermediate Procurement process regardless of the dollar amount of the purchase.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Purchases shall be made subject to the following conditions:
  - (A) The Department follows the Intermediate Procurement process in accordance with Rule 47-0270;
  - (B) The Department makes its purchases from the least expensive source.

**(14) Ballots, Ballot Pages and Ballot Cards.**

- (a) **Authorization.** The County may contract for the printing of ballots without competitive Solicitation.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement.

**(15) Undercover Vehicles**

- (a) **Authorization.** The Sheriff's Office may purchase vehicles for use for undercover operations without competitive Solicitation.
- (b) **Process and Criteria.** The Sheriff's Office shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. The Sheriff's Office shall use

competitive methods wherever possible to achieve best value and shall state in the Procurement File the reasons why a competitive process was deemed to be impractical.

**(16) Copyrighted Materials**

- (a) **Authorization.** A Department may purchase copyrighted materials without competitive Solicitation if there is only one (1) supplier available for such Goods. Examples of copyrighted materials that may be subject to this subsection are textbooks, workbooks, curriculum kits, reference materials, audio and visual media, and software which is available only from the manufacturer or developer.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement.

**(17) Software and Hardware Maintenance and Upgrades.**

- (a) **Authorization.** A Department may enter into a Contract and may renew existing Contracts for proprietary information technology and telecommunications hardware or software maintenance and upgrades without Competitive Solicitation where these services are available from only one source.
- (b) **Process and Criteria.** Departments shall state in the Procurement File the subsection of this Rule which authorizes the Procurement. Departments shall state in the Procurement File the facts upon which the Department determined that maintenance and upgrades were available from only one source.

**(18) Direct Purchase from Manufacturer.**

- (a) **Authorization.** A Department may purchase Goods directly from the manufacturer without competitive solicitation if the price from the manufacturer is less than that offered by distributors.
- (b) **Process and Criteria.** The Department shall set forth in Writing the findings supporting the determination of lowest cost and cite the subsection of this rule which authorizes this procurement in the Procurement File.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070  
Stats. Implemented: ORS 279B.085

**PROCUREMENT PROCESS**

**47-0300 Public Notice of Solicitation Documents**

- (1) **Notice of Solicitation Documents.** Public notice of Solicitations by electronic means is likely to be cost-effective. Therefore, public notice of every Solicitation Document shall be given in accordance with subsection (2) of this Rule. The CPCA Manager may give additional notice may be given using any method 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 County Procurements;
  - (b) Placing notice on the State of Oregon Electronic Procurement System (ORPIN); or
  - (c) Publication in a newspaper of general circulation in the County and in as many other publications as may be appropriate.
- (2) **Notice and Advertising.** Every notice and advertisement of a Solicitation Document shall be published on the CPCA Website.

- (3) **Content of Advertisement.** All notices and 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 or Services to be acquired;
  - (c) The interval between the first date of notice or advertisement of the Solicitation Document given in accordance with subsection 2 above and Closing, which shall not be less than fourteen (14) Days for an Invitation to Bid and thirty (30) Days for a Request for Proposals, unless the CPCA Manager 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 or advertisement of the Solicitation Document given in accordance with subsection 2 above and Closing be less than seven (7) Days. The CPCA Manager shall document the specific reasons for the shorter interval in the Procurement File;
  - (d) The date that Persons shall file applications for prequalification if prequalification is a requirement and the class of Goods or Services is one for which Persons shall be prequalified;
  - (e) The office where Contract terms, conditions and Specifications may be reviewed;
  - (f) The name, title and address of the individual authorized by the County to receive Offers;
  - (g) The scheduled Closing; and
  - (h) Any other appropriate information.
- (4) **Posting Advertisement for Offers.** The CPCA Manager shall post notice of every Solicitation Document at the CPCA office and shall provide a copy of the Solicitation Document upon request.
- (5) **Fees.** The County may charge a fee or require a deposit for the Solicitation Document.
- (6) **Notice of Addenda.** Potential Offerors shall be provided notice of any Addenda to a Solicitation Document in accordance with Rule 47-0430.

Stat. Auth.: ORS 279A.065, ORS 279B.055 & ORS 279B.060  
 Stats. Implemented: ORS 279B.055 & ORS 279B.060

**47-0310 Bids or Proposals are Offers**

- (1) **Offer and Acceptance.** The Bid or Proposal is the Bidder's or Proposer's Offer to enter into a Contract. The Offer is a "Firm Offer," i.e., the Offer shall be held open by the Offeror for acceptance for not less than 30 Days following Closing unless otherwise specified in the Solicitation Document. The Award of the Contract constitutes acceptance of the Offer and binds the Offeror to the Contract.
- (2) **Contingent Offers.** Except to the extent the Proposer is authorized to propose certain terms and conditions pursuant to Rule 47-0262, a Proposer shall not make its Offer contingent upon acceptance of any terms or conditions (including Specifications) other than those contained in the Solicitation Document.
- (3) **Offeror's Acknowledgment.** By Signing and returning the Offer, the Offeror acknowledges 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 permits Proposal of alternative terms under Rule 47-0262, the Offeror's Offer includes the nonnegotiable terms and conditions and any proposed

terms and conditions offered for negotiation upon and to the extent accepted by the County in Writing.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065, ORS 279B.055 & ORS 279B.60

#### **47-0320 Facsimile Bids and Proposals**

- (1) **Department Authorization.** The CPCA Manager may authorize Offerors to submit Facsimile Offers. If Bid or Proposal security is or will be required, Facsimile Offers shall not be authorized unless a method has been established for receipt of such security. Prior to authorizing the submission of Facsimile Offers, the CPCA Manager shall determine that equipment and personnel are available which are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the CPCA Manager shall establish administrative procedures and controls:
  - (a) To receive, identify, record and safeguard 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 Facsimile Offers for Bids or Proposals are authorized, the following provisions shall be included in the Solicitation Document (other than in a request for Small or Intermediate Procurements):
  - (a) A provision substantially in the form of the following: "A '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 County via a facsimile machine.";
  - (b) A provision substantially in the form of the following: "Offerors may submit Facsimile Offers in response to this Solicitation Document. The entire response shall arrive at the place and by the time specified in this Solicitation Document.";
  - (c) A provision that requires Offerors to Sign their Facsimile Offers;
  - (d) A provision substantially in the form of the following: "The County reserves the right to Award the Contract solely on the basis of the Facsimile Offer. However, upon the County's request the apparent successful Offeror shall promptly submit its complete original Signed Offer.";
  - (e) The data and compatibility characteristics of the County'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 County is not responsible for any failure attributable to the transmission or receipt of the 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.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279C.365

## **BID AND PROPOSAL PREPARATION**

### **47-0400 Offer Preparation**

- (1) **Instructions.** An Offeror shall submit and Sign its Offer in accordance with the instructions set forth in the Solicitation Document. An Offeror shall initial and submit any correction or erasure to its Offer prior to Closing in accordance with the requirements for submitting an Offer set forth in the Solicitation Document.
- (2) **Forms.** An Offeror shall submit its Offer on the form(s) provided in the Solicitation Document, unless an Offeror is otherwise instructed in the Solicitation Document.
- (3) **Documents.** An Offeror shall provide the County with all documents and Descriptive Literature required by the Solicitation Document.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279A.065

### **47-0410 Offer Submission**

- (1) **Product Samples and Descriptive Literature.** The County may require Product Samples or Descriptive Literature if the County determines either is necessary or desirable to evaluate the quality, features or characteristics of an Offer. The County will 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 shall be submitted in a sealed envelope appropriately marked or in the envelope provided by CPCA, whichever is applicable.
  - (b) The County 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.** The Offeror is responsible for ensuring CPCA receives its Offer at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279A.065

### **47-0420 Pre-Offer Conferences**

- (1) **Purpose.** Pre-Offer conferences may be held with prospective Offerors prior to Closing, to explain the Procurement requirements, obtain information, or to conduct site inspections.
- (2) **Required Attendance.** The County may require attendance at the pre-Offer conference as a condition for making an Offer.

- (3) **Scheduled Time.** If pre-Offer conference is held, it 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 a County representative at the pre-Offer conference do not change the Solicitation Document unless such statements are confirmed in a Written Addendum to the Solicitation Document.
- (5) **Announcement.** Notice of any pre-Offer conference shall be given in the Solicitation Document and advertisement if applicable.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

#### **47-0430 Addenda to Solicitation Document**

- (1) **Issuance; Receipt.** A Solicitation Document may only be changed by Written Addenda. If required by the Solicitation Document or an Addendum the Offeror shall provide Written acknowledgment of receipt of all issued Addenda with its Offer.
- (2) **Notice and Distribution.** The CPCA Manager 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 shall specify how the County will provide notice of Addenda and how the County will make the Addenda available before Closing, and at each subsequent step or tier of evaluation if the County will engage in a multi-step competitive sealed Bid process in accordance with Rule 47-0257, or a multi-tiered or multi-step competitive sealed Proposal process in accordance with Rule 47-0261 to 47-0263. The following is an example of how Solicitation Document may specify notice of Addenda will be given: "The County will not mail notice of Addenda, but will publish notice of any Addenda on the CPCA Website. Addenda may be downloaded off the site. Offerors should frequently check the CPCA Website until Closing, including at least once weekly until the week of Closing and at least once daily the week of the Closing."
- (3) **Timelines; Extensions.**
  - (a) The CPCA Manager shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The CPCA Manager may extend the Closing if the CPCA Manager determines prospective Offerors need additional time to review and respond to Addenda. Except to the extent required by a countervailing public interest, the CPCA Manager shall not issue Addenda less than five (5) Days before the Closing unless the Addendum also extends the Closing.
  - (b) Notwithstanding subsection 3(a) of this Rule, an Addendum that modifies the evaluation criteria, selection process or procedure for any tier of competition under a multistep sealed Bid or a multi-tiered or multistep sealed Proposal shall be issued no fewer than five (5) Days before the beginning of that tier or step of competition, unless the CPCA Manager determines that a shorter period is sufficient to allow Offerors to prepare for that tier or step of competition. The CPCA Manager shall document the factors 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, and whether shortening the period between issuing an Addendum and the beginning of the next tier or step 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 request for change or protest to the Addendum, as provided in Rule 47-0730, by the close of the next Business Day after issuance of the Addendum, or up to the last day allowed to submit a request for change or protest under Rule 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 Rule 47-0730, then the CPCA Manager may consider an Offeror's request for change or protest to the Addendum only, and the CPCA Manager shall not consider a request for change or protest to matters not added or modified by the Addendum. Notwithstanding any provision of this subsection (4) of this Rule, a Department is not required to provide a protest period for Addenda issued after initial Closing during a multi-tier or multistep Procurement process.

Stat. Auth.: ORS 279A.065 & ORS 279B.060

Stats. Implemented: ORS 279B.060

#### **47-0440 Pre-Closing Modification or Withdrawal of Offers**

- (1) **Modifications.** An Offeror may modify its Offer in Writing prior to the Closing. An Offeror shall prepare and submit any modification to its Offer to the County in accordance with Rule 47-0400 and Rule 47-0410, unless otherwise specified in the Solicitation Document. Any modification shall include the Offeror's statement that the modification amends and supersedes the prior Offer. The Offeror shall mark the submitted modification as follows:
- (a) Bid (or 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 notice submitted on the Offeror's letterhead, 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 CPCA Manager 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 CPCA Manager
  - (b) The CPCA Manager may release an unopened Offer withdrawn under subsection 2(a) of this Rule to the Offeror or its authorized representative, after voiding any date and time stamp mark.
  - (c) The Offeror shall mark the Written request to withdraw an Offer as follows:
    - (A) Bid (or Proposal) Withdrawal; and
    - (B) Solicitation Document Number (or Other Identification as specified in the Solicitation Document).
- (3) **Documentation.** The CPCA Manager shall include all documents relating to the modification or withdrawal of Offers in the appropriate Procurement File.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

#### **47-0450 Receipt, Opening, and Recording of Offers; Confidentiality of Offers.**

- (1) **Receipt.** The CPCA Manager shall electronically or mechanically time-stamp or hand-mark each Offer and any modification upon receipt. The CPCA Manager shall not open the Offer or modification upon receipt, but shall maintain it as confidential and secure until Opening. If the CPCA Manager for any reason opens an Offer or a modification prior to the Opening, the CPCA Manager shall return the Offer or modification to its secure and confidential state until Opening. The CPCA Manager shall document the resealing for the Procurement File (e.g. "County opened the Offer due to improper identification of the Offer.").
- (2) **Opening and Recording.** The CPCA Manager shall publicly open Offers including any modifications made to the Offer pursuant to 47-0440(1). In the case of Invitations to Bid, to the extent practicable, the CPCA Manager shall read aloud the name of each Bidder, and such other information as the CPCA Manager considers appropriate. However, the CPCA Manager may withhold from disclosure information in accordance with Rule 47-0255(4)(b) and Rule 47-0260(6). In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, the CPCA Manager will not read Offers aloud.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

#### **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 CPCA Manager shall not consider late Offers, withdrawals or modifications.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

#### **47-0470 Mistakes**

- (1) Generally. To protect the integrity of the competitive Procurement process and to assure fair treatment of Offerors, the CPCA Manager shall carefully consider whether to permit waiver, correction or withdrawal of Offers for certain mistakes.
- (2) Treatment of Mistakes. The CPCA Manager shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If the CPCA Manager discovers certain mistakes in an Offer after Opening, but before Award of the Contract, the CPCA Manager may take the following action:
  - (a) The CPCA Manager 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 Offers or the correct number of other documents required by the Solicitation Document;
    - (B) Sign the Offer in the designated block, provided a 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 CPCA Manager 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 CPCA Manager's correction in 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 a 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). In the event of a discrepancy, unit prices shall prevail over extended prices.
  - (c) Changes in bids prejudicial to the interests of the public or fair competition are not permitted.
  - (d) The CPCA Manager 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 subsection or an error in judgment;
    - (C) That the error cannot be corrected or waived under subsection (b) of this 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 CPCA Manager does not grant the Offeror permission to withdraw the Offer;
    - (G) That the CPCA Manager's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the County or the public it represents; and
    - (H) That the Offeror promptly gave notice of the claimed error to the CPCA Manager.
  - (e) The criteria in subsection (2)(d) of this Rule shall determine whether the CPCA Manager will permit an Offeror to withdraw its Offer after Closing. These criteria also shall apply to the question of whether the CPCA Manager will permit an Offeror to withdraw its Offer without forfeiture of its Bid bond (or other Bid or Proposal security), or without liability to the County based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually awarded, whether by Award to the next lowest Responsive and Responsible Bidder or the most Advantageous Responsive and Responsible Proposer, or by resort to a new solicitation.
- (3) **Rejection for Mistakes.** The CPCA Manager 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.** The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake.

Following Award, an Offeror is bound by its Offer, and may withdraw its Offer or rescind a Contract entered into pursuant to this division 47 only to the extent permitted by applicable law.

- (5) **Written Determination.** All decisions to permit the correction or withdrawal of bids, or to cancel an Award or a Contract based on bid mistakes, shall be supported by a Written determination by the CPCA Manager that states the reasons for the action taken.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

#### **47-0480 Time for Acceptance**

An Offeror's Offer is a Firm Offer, irrevocable, valid and binding on the Offeror for not less than thirty (30) Days following Closing unless otherwise specified in the Solicitation Document.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

#### **47-0490 Extension of Time for Acceptance of Offer**

The CPCA Manager may request, orally or in Writing, that Offerors extend, in Writing, the time during which the County may consider their Offer(s). If an Offeror agrees to such extension, the Offer shall continue as a Firm Offer, irrevocable, valid and binding on the Offeror for the agreed-upon extension period.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

### **QUALIFICATIONS AND DUTIES**

#### **47-0500 Responsibility of Bidders and Proposers**

Before Awarding a Contract the CPCA Manager shall determine that the Bidder submitting the lowest Bid or Proposer submitting the most Advantageous Proposal is Responsible. The CPCA Manager shall use the standards set forth in Rule 47-0640(1)(c)(F) to determine if a Bidder or Proposer is Responsible. In the event the CPCA Manager determines a Bidder or Proposer is not Responsible, the CPCA Manager shall prepare a Written determination of non-Responsibility and shall reject the Offer.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.110

#### **47-0525 Qualified Products Lists**

- (1) **General.** A Department may develop and maintain a qualified products list in instances in which the testing or examination of Goods before initiating a Procurement is necessary or desirable in order to best satisfy the requirements of the County. For purposes of this section, "Goods" includes products that have associated or incidental service components, such as supplier warranty obligations or maintenance service programs.
- (2) **List Development.** In the initial development of any qualified products list, a Department shall give public notice, in accordance with Rule 47-0255, of the opportunity for potential contractors, sellers or suppliers to submit Goods for testing and examination to determine their acceptability for inclusion on the list and may solicit in Writing representative groups of

potential contractors, sellers or suppliers to submit Goods for the testing and examination. Any potential contractor, seller or supplier, even though not solicited, may offer its Goods for consideration.

- (3) **Tests or Examinations.** A Department's inclusion of Goods on a qualified products list shall be based on the results of tests or examinations. Notwithstanding any provision of ORS 192.410 to 192.505, a Department 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 for testing or examination, including by using only numerical designations. Notwithstanding any provision of ORS 192.410 to 192.505, a Department may keep confidential trade secrets, test data and similar information provided by a potential contractor, seller or supplier if so requested in Writing by the potential contractor, seller or supplier.
- (4) **Inclusion on List is not Prequalification.** The inclusion of Goods on a qualified products list does not constitute and may not be construed as a prequalification under Rule 47-0550 of any prospective contractor, seller or supplier of Goods on the qualified products list.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.115

#### **47-0550 Prequalification of Prospective Offerors**

- (1) **General.** The County may prequalify prospective Bidders or Proposers to submit bids or Proposals for Public Contracts to provide particular types of Goods or services.
- (2) **Prequalification Application.** When a Department permits or requires prequalification of Bidders or Proposers, the Department shall prepare a prequalification application setting forth the criteria and qualifications for prequalification. Upon receipt of a prequalification application, the Department shall investigate the prospective Bidder or Proposer as necessary to determine whether the prospective Bidder or Proposer is qualified. The determination shall be made in less than thirty (30) Days, if practicable, if the prospective Bidder or Proposer requests an early decision to allow the prospective Bidder or Proposer as much time as possible to prepare a bid or Proposal for a Contract that has been advertised. In making its determination, the Department shall consider only the applicable standards of responsibility listed in Rule 47-0640(1)(c)(F). The CPCA Manager shall promptly notify the prospective Bidder or Proposer whether the prospective Bidder or Proposer is qualified.
- (3) **Notice.** If the Department finds that a prospective Bidder or Proposer is qualified, the notice shall state the type, nature and dollar limit of contracts that the prospective Bidder or Proposer is qualified to compete for and the period of time for which the prequalification is valid. If the Department finds that the prospective Bidder or Proposer is not qualified as to any contracts the notice shall specify the reasons given for not prequalifying the prospective Bidder or Proposer and shall specify which of the standards of responsibility listed in Rule 47-0640(1)(c)(F) the prospective Bidder or Proposer failed to meet. Unless the reasons are specified, the prospective Bidder or Proposer shall be deemed to have been prequalified in accordance with the application. The notice shall inform the prospective Bidder or Proposer of the right to a hearing under Rule 47-0760 and the time within which an appeal shall be filed.
- (4) **Revocation or Revision for Substantial Change.** If a Department has reasonable cause to believe that there has been a substantial change in the conditions of a prequalified prospective Bidder or Proposer and that the prospective Bidder or Proposer is no longer qualified or is less qualified, the contracting agency may revoke or may revise and reissue the prequalification after reasonable notice to the prequalified prospective Bidder or Proposer. The notice shall specify the reasons given for revocation or revision of the prequalification of the prospective

Bidder or Proposer and inform the prospective Bidder or Proposer of the right to appeal and the right to a hearing under Rule 47-0760. To be entitled to a hearing under Rule 47-0760, a prospective Bidder or Proposer shall, within three (3) Days after receipt of the notice, notify the CPCA Manager that the prospective Bidder or Proposer requests a hearing under Rule 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 or Proposer however, the CPCA Manager may determine that a prequalified Offeror is not Responsible prior to Contract Award.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.120

#### **47-0575 Debarment of Prospective Offerors**

- (1) **Authority.** The County may debar an Offeror after providing the Person with notice and a reasonable opportunity to be heard in accordance with these Rules.
- (2) **Standards for Debarment.** The County may debar a Person for:
  - (a) The prospective 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 such contract or subcontract.
  - (b) The prospective 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 or Proposer's responsibility as a Contractor.
  - (c) The prospective Bidder or Proposer has been convicted under state or federal antitrust statutes.
  - (d) The prospective Bidder or Proposer has committed a violation of a contract provision and debarment for such a violation was listed in the contract terms and conditions as a potential penalty. 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.
  - (e) The prospective Bidder or Proposer does not carry workers' compensation or unemployment insurance as required by statute.
  - (f) Violation of ORS 279A.110(1), prohibiting discrimination in subcontracting.
- (3) **Notice of Intent to Debar.** CPCA shall notify the Person in Writing of a proposed Debarment personally or by registered or certified mail, return receipt requested. This notice shall:
  - (g) State that the County intends to debar the Person;
  - (h) Set forth the reasons for the Debarment;
  - (i) Include a statement that the Person shall have a right to appeal the notice of intent to debar and have a hearing in accordance with Rule 47-0760 and a statement of the time within which an appeal shall be filed.
  - (j) Include a reference to the particular sections of the statutes and rules involved;
  - (k) State that the Person may be represented by legal counsel at the hearing.

- (4) **Appeal and Hearing.** Appeal of the notice and hearing on the appeal shall be in accordance with the provisions of Rule 47-0760.
- (5) **Imputed Knowledge.** The County may attribute improper conduct of a Person or its affiliate or affiliates having a contract with a prospective Offeror to the prospective Offeror for purposes of 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.
- (6) **Limited Participation.** The CPCA Manager may allow a Debarred Person to participate in solicitations and Contracts on a limited basis during the Debarment period upon Written determination that participation is Advantageous to the County. The determination shall specify the factors on which it is based and define the extent of the limits imposed.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.130

## OFFER EVALUATION AND AWARD

### 47-0600 Offer Evaluation and Award

- (1) **Evaluation.** The County shall evaluate Offers only as set forth in the Solicitation Document, pursuant to Rule 47-0255(5) and Rule 47-0260(7)(a), and in accordance with applicable law. The County shall not evaluate Offers using any other requirement or criterion.
  - (a) **Preferences.**
    - (A) **Nonresident Bidders.** In determining the lowest Responsive Bid, the County shall apply the reciprocal preference set forth in Rule 46-0310 for Nonresident Bidders.
    - (B) **Public Printing.** The County shall for the purpose of evaluating Bids apply the public printing preference set forth in ORS 282.210.
    - (C) **Award When Bids are Identical.** If the County determines that one (1) or more Bids are identical under Rule 46-0300, the County shall Award a Contract in accordance with the procedures set forth in Rule 46-0300.
  - (b) **Evaluation of Proposals.**
    - (A) **Award When Proposals are Identical.** If the County determines that one (1) or more Proposals are identical under Rule 46-0300, the County shall Award a Contract in accordance with the procedures set forth in Rule 46-0300.
    - (B) **Public Printing.** The County shall for the purpose of evaluating Proposals apply the public printing preference set forth in ORS 282.210.
  - (c) **Recycled Materials.** When procuring Goods, the County shall give preference for recycled materials as set forth in Rule 46-0320.
- (2) **Clarification of Bids.** After Bid Opening, the County may conduct Discussions with apparent Responsive Bidders for the purpose of clarification to assure full understanding of the Bid. All Bids, in the Department's sole discretion, needing clarification shall be accorded such an opportunity. CPCA shall document clarification of any Bidder's Bid in the Procurement File.
- (3) **Negotiations Prohibited.**

- (a) **Bids.** Except as permitted by subsection (2) of this Rule, the County shall not negotiate with any Bidder. After Award of the Contract, the Department and Contractor may only modify the Contract in accordance with Rule 47-0800.
  - (b) **Requests for Proposals.** The County may conduct Discussions or negotiate with Proposers only in accordance with Rules 47-0260 and 47-0262 After Award of the Contract, the Department and Contractor may only modify the Contract in accordance with Rule 47-0800.
- (4) **Award.**
- (a) **General.** If Awarded, CPCA shall Award the Contract to the Responsible Bidder submitting the lowest, Responsive Bid or the Responsible Proposer submitting the most Advantageous, Responsive Proposal. CPCA may Award by item, groups of items or the entire Offer provided such Award is consistent with the Solicitation Document and in the public interest.
  - (b) **Multiple Items.** An Invitation to Bid or Request for Proposals may call for pricing of multiple items of similar or related type with Award based on individual line item, group total of certain items, a "market basket" of items representative of the Department's expected purchases, or grand total of all items.
  - (c) **Multiple Awards - Bids.**
    - (A) Notwithstanding subsection 4(a) of this Rule, CPCA may Award multiple Contracts under an Invitation to Bid in accordance with the criteria set forth in the Invitation to Bid. Multiple Awards shall not be made if a single Award will meet the Department's needs, including but not limited to adequate availability, delivery, service, or product compatibility. 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. Multiple Awards may not be made for the purpose of dividing the Procurement into multiple solicitations, or to allow for user preference unrelated to utility or economy. A notice to prospective Bidders that multiple Contracts may be Awarded for any Invitation to Bid shall not preclude CPCA from Awarding a single Contract for such Invitation to Bid.
    - (B) If an Invitation to Bid permits the Award of multiple Contracts, the County shall specify in the Invitation to Bid the criteria it will use to choose from the multiple Contracts when purchasing Goods or Services.
  - (d) **Multiple Awards – Proposals.**
    - (A) Notwithstanding subsection 4(a) of this Rule, CPCA may Award multiple Contracts under a Request for Proposals in accordance with the criteria set forth in the Request for Proposals. Multiple Awards shall not be made if a single Award will meet the Department's needs, including but not limited to adequate availability, delivery, service 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. Multiple Awards may not be made for the purpose of dividing the Procurement into multiple solicitations, or to allow for user preference unrelated to obtaining the most Advantageous Contract. A notice to prospective Proposers that multiple Contracts may be Awarded for any Request for Proposals shall not preclude CPCA from Awarding a single Contract for such Request for Proposals.

- (B) If a Request for Proposals permits the Award of multiple Contracts, the County shall specify in the Request for Proposals the criteria it will use to choose from the multiple Contracts when purchasing Goods or Services.
- (e) **Partial Awards.** If after evaluation of Offers, the Department determines that an acceptable Offer has been received for only parts of the requirements of the Solicitation Document:
  - (A) CPCA may Award a Contract for the parts of the Solicitation Document for which acceptable Offers have been received; or
  - (B) CPCA may reject all Offers and may issue a new Solicitation Document on the same or revised terms, conditions and Specifications.
- (f) **All or none Offers.** CPCA may Award all or none Offers if the evaluation shows an all or none Award to be the lowest cost for Bids or the most Advantageous for Proposals of those submitted.

Stat. Auth.: ORS 279A.065 & ORS 279B.060

Stats. Implemented: ORS 279B.055 & ORS 279B.060

#### **47-0610 Notice of Intent to Award**

- (1) **Notice of Intent to Award.** CPCA shall provide Written notice of intent to Award to all Bidders and Proposers at least seven (7) Days before the Award of a Contract, unless the CPCA Manager determines that circumstances require prompt execution of the Contract, in which case the CPCA Manager may provide a shorter notice period. The CPCA Manager 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 authorized by rule under Rule 47-0288.
- (2) **Finality.** The Award shall not be final until the later of the following:
  - (a) The expiration of the protest period provided pursuant to Rule 47-0740(3); or
  - (b) CPCA provides Written responses to all timely-filed protests denying the protests and affirming the Award.

Stat. Auth.: ORS 279A.065 & ORS 279B.135

Stats. Implemented: ORS 279B.135

#### **47-0620 Documentation of Award**

- (1) **Basis of Award.** After Award, the CPCA Manager shall make a record showing the basis for determining the successful Offeror part of the Procurement File.
- (2) **Contents of Award Record.** The record shall include:
  - (a) For Bids:
    - (A) Bids;
    - (B) Completed 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 County engaged in any of the methods of Contractor selection described in Rule 47-0260 and Rules 47-0261 to 47-0263, Written documentation of the content of any Discussions, Negotiations, best and final Offers, or any other procedures the County used to select a Proposer to which the CPCA Manager Awarded a Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: 279A.065

#### **47-0630 Availability of Award Decisions**

- (1) **Contract Documents.** To the extent required by the Solicitation Document, the Department shall deliver to the successful Offeror a Contract, Signed purchase order, Price Agreement, or other Contract documents as applicable.
- (2) **Availability of Award Decisions.** A Person may obtain tabulations of Awarded Bids or evaluation summaries of Proposals for a minimal charge established by the CPCA Manager, in person or by submitting to the CPCA Manager a Written request accompanied by payment. The requesting Person shall provide the Solicitation Document number and enclose a self-addressed, stamped envelope. In addition, the County may make available tabulations of Bids and Proposals through the County's website.
- (3) **Availability of Procurement Files.** After notice of intent to Award, the CPCA Manager shall make Procurement Files available in accordance with applicable law.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055 & ORS 279B.060

#### **47-0640 Rejection of an Offer**

- (1) Rejection of an Offer.
  - (a) The CPCA Manager may reject any Offer when the CPCA Manager determines that rejection is in the best interest of the County. The reasons for the rejection shall be made part of the Procurement File. The County shall not be liable to any Bidder or Proposer for any loss or expense caused by or resulting from the rejection of a bid or Proposal.
  - (b) The CPCA Manager shall reject an Offer upon finding that the Offer:
    - (A) Is contingent upon the acceptance of terms and conditions (including Specifications) that differ materially from the Solicitation Document;
    - (B) Takes exception to terms and conditions (including 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, unless the Offeror agrees after Opening to withdraw any conditions in the bid prohibiting disclosure;
    - (D) Offers Goods or Services that fail to meet the 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 procedures.
- (c) The CPCA Manager shall reject an Offer upon finding that the Offeror:
- (A) Has not been prequalified under Rule 47-0550 and the required mandatory prequalification if required by the Solicitation Document;
  - (B) Has been Debarred under Rule 47-0575;
  - (C) Has not met the requirements of Rule 46-0210, if required by the Solicitation Document;
  - (D) Has not submitted properly executed Bid or Proposal security as required by the Solicitation Document;
  - (E) Has failed to provide the certification of non-discrimination required 46-0210(3); or
  - (F) Is non-Responsible. Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before Awarding a Contract, the CPCA Manager shall determine 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 indicate the capability of the Offeror to meet all contractual responsibilities; and
    - (ii) Has a satisfactory record of contract performance. The CPCA Manager 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 CPCA Manager 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 CPCA Manager may review the Offeror's performance on both private and Public Contracts in determining the Offeror's record of contract performance. The CPCA Manager shall make its basis for determining an Offeror non-Responsible under this subparagraph part of the Procurement File;
    - (iii) Has a satisfactory record of integrity. An Offeror may lack integrity if the CPCA Manager determines the Offeror demonstrates a lack of business ethics such as violation of state environmental laws or false certifications made to a Contracting Agency. The CPCA Manager 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 or a parent company, predecessor or successor Person). The standards for Debarment under Rule 47-0575 may be used to determine an Offeror's integrity. The CPCA Manager shall make the basis for determining that an Offeror is non-Responsible under this subparagraph part of the Procurement File;
    - (iv) Is qualified legally to contract with the County; and
    - (v) Has supplied all necessary information in connection with the inquiry concerning Responsibility. If the Offeror fails to promptly supply information requested by the CPCA Manager concerning Responsibility, the CPCA

Manager shall base the determination of Responsibility upon any available information, or may find the Offeror non-Responsible.

- (2) **Form of Business Entity.** For purposes of this Rule, the CPCA Manager 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 or to apply the Debarment provisions of Rule 47-0575.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100 & 279B.110

#### **47-0650 Rejection of All Offers**

- (1) **Rejection.** The CPCA Manager may reject all Offers when the CPCA Manager determines that rejection is in the best interest of the County. The reasons for the rejection shall be made part of the Procurement File. The County shall not be liable to any Bidder or Proposer for any loss or expense caused by or resulting from the rejection of all bids, or Proposals.
- (2) **Criteria.** The CPCA Manager may reject all Offers based upon the following criteria:
  - (a) The content of or an error in the Solicitation Document, or the 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 CPCA Manager cancels the Procurement or Solicitation in accordance with Rule 47-0660; or
  - (f) Any other circumstance indicating that Awarding the Contract would not be in the public interest.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

#### **47-0660 Cancellation, Rejection, Delay or Suspension of a Procurement or Solicitation**

- (1) **Cancellation, Rejection, Delay or Suspension of a Procurement or Solicitation.** Any Solicitation or 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 County. The reasons for the cancellation or rejection shall be made part of the Procurement File. The County shall not be liable to any Bidder or Proposer for any loss or expense caused by or resulting from the cancellation or rejection of a solicitation, bid, Proposal or Award. Any Solicitation or Procurement described in a Solicitation may be delayed or suspended when the delay or suspension is in the best interest of the County. The County shall make the reasons for the delay or suspension part of the Procurement File. The County shall not be liable to any Bidder or Proposer for any loss or expense caused by or resulting from the delay or suspension of a solicitation, bid, Proposal or Award. **Notice of Cancellation Before**

**Opening.** If the CPCA Manager cancels a Procurement or Solicitation prior to Opening, the CPCA Manager shall provide Written notice of cancellation in the same manner as was used for the notice of the solicitation. Such notice of cancellation 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 resolicitation.

- (2) **Notice of Cancellation After Opening.** If the CPCA Manager cancels a Procurement or Solicitation after Opening, the CPCA Manager shall provide Written notice of cancellation to all Offerors who submitted Offers.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

#### **47-0670 Disposition of Offers if Procurement or Solicitation Canceled**

- (1) **Prior to Opening.** If the CPCA Manager cancels a Procurement or Solicitation prior to Opening, the CPCA Manager 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 CPCA Manager shall open the Offer to determine the source and then return it to the Offeror. For Electronic Offers, if any, the CPCA Manager shall delete the Offers from the Electronic Procurement System or information technology system.
- (2) **After Opening.** If the CPCA Manager cancels a Procurement or Solicitation after Opening, the CPCA Manager:
  - (a) May return Proposals in accordance with Rule 47-0260(6)(b); and
  - (b) Shall keep Bids in the Procurement File.
- (3) **Rejection of All Offers.** If the CPCA Manager rejects all Offers, the CPCA Manager shall keep all Proposals and Bids in the Procurement File.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

### **LEGAL REMEDIES**

#### **47-0700 Protests and Judicial Review of Special Procurements**

- (1) **Purpose.** An Affected Person may protest the approval of a Special Procurement. Pursuant to ORS 279B.400(1), before seeking judicial review of the approval of a Special Procurement, an Affected Person shall file a Written protest with the CPCA Manager and exhaust all administrative remedies.
- (2) **Delivery.** Protest of Approval of a Special Procurement. Notwithstanding the requirements for filing a writ of review under ORS chapter 34 pursuant to ORS 279B.400(4)(a), an Affected Person shall deliver a Written protest to the CPCA Manager within seven (7) Days after the first date of public notice of the approval of a Special Procurement by the CPCA Manager or the Board, unless a different protest period is provided in the public notice of the approval of a Special Procurement.
- (3) **Content of Protest.** The Written protest 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 Person; and
  - (c) The relief requested.
- (4) **Response to Protest.** Protest of Approval of a Special Procurement: The CPCA Manager or the Board shall not consider an Affected Person's protest of the approval of a Special Procurement submitted after the timeline established for submitting such protest under this Rule or such different time period as may be provided in the public notice of the approval of a Special Procurement. The CPCA Manager or the Board shall issue a Written disposition of the protest in a timely manner. If the CPCA Manager or the Board upholds the protest, in whole or in part, they may in their sole discretion implement the sustained protest in the approval of the Special Procurement, or revoke the approval of the Special Procurement. A Department may, in lieu of having the protest presented to the CPCA Manager or the Board, notify the CPCA Manager that it will not pursue the procurement as a Special Procurement. Written notice of the Department's decision shall be given to the Affected Person.
- (5) **Judicial Review.** An Affected Person may seek judicial review of the CPCA Manager's or the Board's decision under subsection (4) above denying a protest of the approval of a Special Procurement. Judicial review shall be in accordance with ORS 279B.400.

Stat. Auth.: ORS 279A.065 & ORS 279B.400

Stats. Implemented: ORS 279B.400

#### **47-0710 Protests and Judicial Review of Sole-Source Procurements**

- (1) **Purpose.** For Sole-Source Procurements requiring public notice, an Affected Person may protest the determination of the CPCA Manager or the Board under Rule 47-0275 that the Goods or Services or class of Goods or Services are available from only one (1) source. Before seeking judicial review, an Affected Person shall file a Written protest with the CPCA Manager and exhaust all administrative remedies.
- (2) **Delivery.** Unless otherwise specified in the public notice of the Sole-Source Procurement, an Affected Person shall deliver a Written protest to the CPCA Manager within seven (7) Days after the first date of public notice of the Sole-Source Procurement, unless a different protest period is provided in the public notice of a Sole-Source Procurement.
- (3) **Content of Protest.** The Written protest 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 Person; and
  - (c) The relief requested.
- (4) **Response to Protest.** No protest shall be considered under this section if it is submitted after the timeline established for submitting such protest under this Rule, or such different time period as may be provided in the public notice of the Sole-Source Procurement. The CPCA Manager or the Board shall issue a Written disposition of the protest in a timely manner. If the protest is upheld in whole or in part, the County shall not enter into a sole-source Contract.
- (5) **Judicial Review.** Judicial review of the decision in subsection (4) above shall be in accordance with ORS 279B.420.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.075

#### 47-0720 Protests and Judicial Review of Multi-Tiered and Multistep Solicitations

- (1) **Purpose.** An Affected Offeror may protest exclusion from the 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, before seeking judicial review, an Affected Offeror shall file a Written protest with the CPCA Manager and exhaust all administrative remedies.
- (2) **Basis for Protest.** An Affected Offeror may 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 mistake in evaluating the Offeror's or other Offerors' Offers, the protesting Offeror would have been eligible to participate in the next tier or step of competition. (For example, the protesting Offeror shall claim it is eligible for inclusion in the Competitive Range if all ineligible higher-scoring Offerors are removed from consideration, and that those ineligible Offerors are ineligible for inclusion in the Competitive Range because their Proposals were not Responsive, or the County committed a substantial violation of a provision in the Solicitation Document or of an applicable 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 Range.)
- (3) **Delivery.** Unless otherwise specified in the Solicitation Document, an Affected Offeror shall deliver a Written protest to the CPCA Manager within seven (7) Days after issuance of the notice of the Competitive Range or notice of subsequent tiers or steps.
- (4) **Content of Protest.** The Affected Offeror's protest shall be in Writing and shall specify the grounds upon which the protest is based.
- (5) **Response to Protest.** The CPCA Manager shall not consider an Affected Offeror's multi-tiered or multistep Solicitation protest submitted after the timeline established for submitting such protest under this Rule, or such different time period as may be provided in the Solicitation Document. The CPCA Manager shall issue a Written disposition of the protest in a timely manner. If the CPCA Manager upholds the protest, in whole or in part, the CPCA Manager may in his or her sole discretion either issue an Addendum under Rule 47-0430 reflecting the disposition of the protest or cancel the Procurement or Solicitation under Rule 47-0660.
- (6) **Judicial Review.** Judicial review of the decision relating to a multi-tiered or multistep Solicitation protest shall be in accordance with ORS 279B.420.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

#### 47-0730 Protests and Judicial Review of Solicitations

- (1) **Purpose.**
  - (a) A prospective Offeror may protest the Procurement process or the Solicitation Document for a Contract solicited under Rules 47-0255, 47-0260 and 47-0285. Before seeking judicial review, a prospective Offeror shall file a Written protest with the CPCA Manager and exhaust all administrative remedies.
  - (b) Contract-Specific Special Procurements. Notwithstanding subsection 1(a) of this Rule, a Person may not protest, challenge, or review a Contract-Specific Special Procurement except upon the occurrence of the conditions set forth in ORS 279B.405(2)(b).

- (2) **Delivery.** Unless otherwise specified in the Solicitation Document, a prospective Offeror shall deliver a Written protest to the CPCA Manager not less than ten (10) Days prior to Closing.
- (3) **Content of Protest.** In addition to the information required by ORS 279B.405(4), a prospective Offeror's Written protest shall include a statement of the changes to the Procurement process or the Solicitation Document that the prospective Offeror believes will remedy the conditions upon which the prospective Offeror based its protest.
- (4) **Response to Protest.** The CPCA Manager shall not consider a Prospective Offeror's Solicitation protest submitted after the timeline established for submitting such protest under this Rule, or such different time period as may be provided in the Solicitation Document. The CPCA Manager shall consider the protest if it is timely filed and meets the conditions set forth in ORS 279B.405(4). The CPCA Manager shall issue a Written disposition of the protest in accordance with the timeline set forth in ORS 279B.405(6). If the CPCA Manager upholds the protest, in whole or in part, the CPCA Manager may in his or her sole discretion either issue an Addendum reflecting its disposition under Rule 47-0430 or cancel the Procurement or Solicitation under Rule 47-0660.
- (5) **Extension of Closing.** If the CPCA Manager receives a protest from a prospective Offeror in accordance with this Rule, the CPCA Manager may extend Closing if the CPCA Manager 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 clarification of any provision of the Solicitation Document. Any such request shall be in Writing and any response shall also be in Writing and shall be included in an Addendum to the Solicitation Document.
- (7) **Judicial Review.** Judicial review of the decision relating to a Solicitation protest shall be in accordance with ORS 279B.405.

Stat. Auth.: ORS 279A.065 & ORS 279B.405

Stats. Implemented: ORS 279B.405

#### **47-0740 Protests and Judicial Review of Contract Award**

- (1) **Purpose.** An Offeror may protest the Award of a Contract, or the intent to Award a Contract, whichever occurs first, if :
  - (a) The Bidder or Proposer is adversely affected because the Bidder or Proposer would be eligible to be 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 Proposals are nonresponsive;
    - (B) The contracting agency has failed to conduct the evaluation of Proposals in accordance with the criteria or processes described in the Solicitation materials;
    - (C) The contracting agency has abused its discretion in rejecting the protestor's bid or Proposal as nonresponsive; or
    - (D) The contracting agency's evaluation of bids or Proposals or the contracting agency's subsequent determination of Award is otherwise in violation of these Rules.

- (2) **Exhaustion of Remedies.** An Offeror shall file a Written protest with the CPCA Manager and exhaust all administrative remedies before seeking judicial review of the Contract Award decision.
- (3) **Delivery.** Unless otherwise specified in the Solicitation Document, an Offeror shall deliver a Written protest to the CPCA Manager within seven (7) Days after the Award of the Contract or issuance of the notice of intent to Award the Contract, whichever occurs first.
- (4) **Content of Protest.** An Offeror's Written protest shall specify the grounds for the protest to be considered by the CPCA Manager.
- (5) **Response to Protest.** The CPCA Manager shall not consider an Offeror's Contract Award protest submitted after the timeline established for submitting such protest under this Rule, or such different time period as may be provided in the Solicitation Document. The CPCA Manager shall issue a Written disposition of the protest in a timely manner as set forth in ORS 279B.410(4). If the CPCA Manager upholds the protest, in whole or in part, the CPCA Manager may in his or her sole discretion either Award the Contract to the successful protestor or cancel the Procurement or solicitation.
- (6) **Judicial Review.** Judicial review of the decision relating to a Contract Award protest shall be in accordance with ORS 279B.415.

Stat. Auth.: ORS 279A.065 & ORS 279B.410

Stats. Implemented: ORS 279B.410 & ORS 279B.415

#### **47-0745 Protests and Judicial Review of Qualified Products List Decisions**

- (1) **Purpose.** A prospective Offeror may protest the decision to exclude the prospective Offeror's Goods from the County's qualified products list under Rule 47-0525. A prospective Offeror shall file a Written protest and exhaust all administrative remedies before seeking judicial review of the Department's qualified products list decision.
- (2) **Delivery.** Unless otherwise stated in the Department'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 CPCA Manager within seven (7) Days after issuance of the 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) **Response to Protest.** The CPCA Manager 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 notice to prospective Offerors of the opportunity to submit Goods for inclusion on the qualified products list. The CPCA Manager shall issue a Written disposition of the protest in a timely manner. If the CPCA Manager upholds the protest, it shall include the successful protestor's Goods on the qualified products list.
- (5) **Judicial Review.** Judicial review of the decision relating to a qualified products list protest shall be in accordance with ORS 279B.425.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.115

#### **47-0750 Judicial Review of Other Violations**

Any violation of these Rules or ORS chapter 279A or 279B by the County 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.420

#### **47-0760 Review of Prequalification and Debarment Decisions**

Review of the County's prequalification and Debarment decisions shall be as set forth in ORS 279B.425.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.425

### **CONTRACT AMENDMENTS**

#### **47-0800 Contract Amendments**

- (1) An amendment for additional Goods or services which is reasonably related to the scope of Work under the original Contract, including change orders, extra Work, field orders, or other change in the original Specifications that increases the original Contract Price, may be made with the Contractor without Competitive Solicitation subject to the following conditions:
  - (a) The original Contract was let by Competitive Solicitation or alternative Procurement process including Special Procurements or Sole Source Procurements that were publically noticed and unit prices or additive alternates were provided that established the cost basis for the additional Goods or services and a binding obligation exists on the parties covering the terms and conditions of the additional Work; **or**
  - (b) The original Contract was let pursuant to a declaration of Emergency, in accordance with Rule 47-0280; **or**
  - (c) The additional Goods or services are required by reason of existing or new laws, rules, regulations or ordinances of federal, state or local agencies, that affect performance of the original Contract; **or**
  - (d) When subsections (a), (b) or (c) above do not apply a Department shall have authority to authorize increases resulting from amendments to a Contract provided that the total of all such increases shall not exceed 20 percent of the original Contract Price. For contracts of \$150,000 or less increases in excess of this 20 percent limit shall be submitted to the CPCA Manager for approval prior to authorization for the additional Goods or services. For contracts in excess of \$150,000, increases in excess of the 20 percent limit shall be submitted to the CPCA Manager to obtain approval by the Board prior to authorization for the additional Goods or services.
    - i) Escalation clauses showing cost of living increases over the life of the contract are excluded from the 20% limitation if the escalation was part of the original solicitation and contract.
  - (e) Every Contract for Goods, Services and Public Works that are not Public Improvements shall comply with the requirements of this Rule including Contracts advertised, or if not advertised, entered into prior to March 1, 2005.

- (2) **Renegotiated Contract.** A Department may renegotiate the terms and conditions, including the Contract Price, of a Contract without additional competition and amend a Contract if it is Advantageous to the Department subject to the following conditions:
- (a) The amended Contract is within the Scope of the Solicitation Document, or if no Solicitation Document, the Contract, or in the instance of a Special Procurement the approval of Special Procurement;
  - (b) A Department shall determine that, with all things considered, the renegotiated Contract is at least as favorable to the Department as the original Contract; and
  - (c) The renegotiated Contract will not have a total term greater than allowed in the original Solicitation Document, Contract or approval of a Special Procurement after combining the initial and extended terms. For example, a one-year Contract, 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 unless the original procurement allowed for a longer contract period.. Also, if multiple Contracts with a single Contractor are restated as a single Contract, the term of the single Contract may not have a total term greater than the longest term of any of the prior Contracts.
  - (d) If a Contractor offers a lower price in exchange for a change in term or condition that was expressly rejected in the original solicitation, the amended Contract may be structured with this changed term as an optional, but not as a mandatory Contract term.
  - (e) If the Contract is the result of a Cooperative Procurement, the amended Contract may not materially change the terms, conditions, and prices of the original Contract.
- (3) **Small or Intermediate Contract.** The County may amend a Contract Awarded as small or Intermediate Procurement pursuant to subsections (1) or (2) of this Rule, provided also the total Contract price does not exceed the limits set forth in Rule 47-0265(4) for small Procurements and Rule 47-0270(5) for Intermediate Procurements.
- (4) **Emergency Contract.** A Department may amend a Contract Awarded as an Emergency Procurement if the Emergency justification for entering into the Contract still exists, and the amendment is necessary to address the continuing Emergency.
- (5) **Price Agreements.** A Department may amend or terminate a Price Agreement as follows:
- (a) As permitted by the Price Agreement;
  - (b) As permitted by this Rule; or
  - (c) If the circumstances set forth in ORS 279B.140(2) exist.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

## DIVISION 48 CONSULTANT SELECTION: ARCHITECTURAL, ENGINEERING, LAND SURVEYING AND RELATED SERVICES CONTRACTS

### 48-0100 Application

The Rules in this Division 48 implement ORS Chapter 279C and apply to the screening and selection of Architects, Engineers, Land Surveyors, and Providers of Related Services under Contracts, and set forth the procedures through which Departments select Consultants to perform Architectural, Engineering, Land Surveying and Related Services.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070  
Stats. Implemented: ORS 279A.065

### 48-0110 Definitions

The definitions for this Division 48 are found in Division 46, except the following definitions apply only to this Division 48:

- (1) **Architect.** 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 to 671.220, and includes without limitation the terms “architect,” “licensed architect” and “registered architect.
- (2) **Architectural, Engineering and Land Surveying Services.** Professional services that are required to be performed by an architect, engineer or land surveyor.
- (3) **Agreement-To-Agree.** A Written document of understanding negotiated between a Department and the Consultant for the provision of services on a single Project, or on more than one (1) project, which contains contract clauses that will apply to future Contracts during its term to be established through Work orders and which will incorporate the required and applicable clauses of the Agreement-To-Agree. Agreement-To-Agree documents are also referred to as Price Agreements.
- (4) **Consultant.** An Architect, Engineer, Land Surveyor, or provider of Related Services. A Consultant includes a business entity that employs Architects, Engineers, Land Surveyors or providers of Related Services, or any combination of the foregoing.
- (5) **Design-Build.** An alternative contracting method for the construction of Public Improvements where construction and design services are combined in a single Contract.
- (6) **Direct Appointment or Direct Appointment Procedure.** The Consultant selection method provided for under Rule 48-0200.
- (7) **Engineer.** 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 to 672.325, and includes all terms listed in ORS 672.002 (2)
- (8) **Estimated Fee.** A Department’s reasonably projected fee to be paid for a Consultant’s 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. The Estimated Fee shall not be used as a basis to resolve other public contracting issues.
- (9) **Formal Selection Procedure.** The Consultant selection method provided for under Rule 48-0220.

- (10) **Informal Selection Procedure.** The Consultant selection method provided for under Rule 48-0210.
- (11) **Land surveyor.** 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 (4).
- (12) **Mixed Contract.** A Contract that requires the Consultant to perform certain Architectural, Engineering, Land Surveying or Related Services and also to provide the Department with other kinds of Supplies and Services; the classification of a Mixed Contract as a Contract for Architectural, Engineering, Land Surveying or Related Services is determined by the Mixed Contract's predominate purpose. For a Mixed Contract to be considered a Contract for Architectural, Engineering, Land Surveying or Related Services, the majority of the payments made or received under the Mixed Contract shall be for Architectural, Engineering, Land Surveying or Related Services.
- (13) **Project.** All components of a Department's planned undertaking that gives rise to the need for a Consultant's Architectural, Engineering, Land Surveying or Related Services under a Contract.
- (14) **Proposer.** A Consultant who submits a Proposal to a Department in response to a Request for Proposals.
- (15) **Related services.** Personal services, other than architectural, engineering and land surveying services, that are related to the planning, design, engineering or oversight of public improvement projects or components thereof, including but not limited to landscape architectural services, facilities planning services, energy planning services, space planning services, environmental impact studies, hazardous substances or hazardous waste or toxic substances testing services, wetland delineation studies, wetland mitigation studies, Native American studies, historical research services, endangered species studies, rare plant studies, biological services, archaeological services, cost estimating services, appraising services, material testing services, mechanical system balancing services, commissioning services, project management services, construction management services and owner's representative services or land-use planning services.
- (16) **Request for Qualifications or RFQ.** A Written document issued by a Department to which Consultants respond with a description of their experience with and qualifications for the Architectural, Engineering, Land Surveying or Related Services described in the RFQ and from which the Department creates a list of Consultants who are qualified to perform those services, but which is not intended to result in a Contract between a Consultant and a Department.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279A.065

#### **48-0120 List of Interested Consultants; Performance Record**

- (1) Consultants who are interested in providing Architectural, Engineering, Land Surveying or Related Services may annually submit a statement describing their qualifications and related performance information to Departments' office addresses. Departments may use this information to create a list of prospective Consultants and which will be updated at least once every five years.
- (2) Departments may compile and maintain a record of each Consultant's performance under contracts with the particular Department, including information obtained from Consultants

during an exit interview. Upon request and in accordance with the Oregon Public Records Law (ORS 192.410 to ORS 192.505) Departments may make available copies of the records.

- (3) Departments shall keep a record of all Contracts and shall make these records available to the public consistent with the requirements of the Oregon Public Records Law (ORS 192.410 to 192.505). Departments shall include the following information in the record:
  - (a) Consultant's principal office address and all office addresses in the State of Oregon;
  - (b) Consultant's direct expenses on each Contract whether or not those direct expenses are reimbursed. "Direct expenses" include all amounts that are directly attributable to Consultant's services performed under each Contract, including personnel travel expenses, and that would not have been incurred but for the services being performed. The record shall include all personnel travel expenses as a separate and identifiable expense on the Contract; and
  - (c) The total number of Contracts awarded to each Consultant over the immediately preceding 10-year period from the date of the record.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C.110

#### **48-0200 Direct Appointment Procedure**

- (1) Departments may enter into a Contract directly with a Consultant without following the selection procedures set forth elsewhere in these Rules if:
  - (a) The Estimated Fee to be paid under the Contract does not exceed \$10,000; or
  - (b) An emergency exists; or
  - (c) The Architectural, Engineering, Land Surveying or Related Services to be performed under the Contract:
    - (A) Consist of, or are related to, Architectural, Engineering, Land Surveying or Related 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 as the Architectural, Engineering, Land Surveying or Related Services rendered under the earlier Contract; and
    - (B) The Department used either the Formal Selection Procedure under Rule 48-0220 or the Formal Selection Procedure applicable to selection of the Consultant at the time of selection, to select the Consultant for the earlier Contract.
- (2) The Departments may select Consultants for Contracts under this Rule from the following sources:
  - (a) The County's current list of Consultants;
  - (b) A list of Consultants from another public jurisdiction; or
  - (c) Consultants offering the required Architectural, Engineering, Land Surveying or Related Services that Departments reasonably can identify under the circumstances.
- (3) If the County estimates that the fee for the Work will not exceed \$10,000, then, except for Work described in subsection (1)(b) or (c) of this section, the Direct Appointment shall be made to an MBE, WBE or ESB Consultant certified by the State of Oregon for the type or Work required unless such Consultant is not available. A Consultant shall be considered "not

available” if Consultants certified by the State for the type of Work required who are located within 75 miles from the place where the Contract is to be performed, have been advised of the opportunity, have been given a reasonable period of time under the circumstances to respond and have failed or declined to respond. In such event, a Direct Appointment then may be made to any other qualified Consultant.

- (4) Selection of a Contractor for Direct Appointment under this Rule shall be competitive to the extent practicable and may be based on criteria which include but are not limited to the Consultant's availability, capabilities, staffing, experience, and compensation requirements and the location of the project.
- (5) The Department shall direct Negotiations with Consultants selected under this Rule toward obtaining Written agreement on:
  - (a) Consultant's performance obligations and performance schedule;
  - (b) Payment methodology and a maximum amount payable to Contractor for the Architectural, Engineering, Land Surveying or Related Services required under the Contract that is fair and reasonable to the Department as determined solely by the Department, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Land Surveying or Related Services; and
  - (c) Any other provisions the Department believes to be in the Department's best interest to negotiate.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C110 and ORS 279C.115

#### **48-0210 Informal Selection Procedure**

- (1) Departments may use the Informal Selection Procedure described in this Rule to obtain a Contract if the Estimated Fee is expected to not exceed \$150,000.
- (2) For contracts between \$10,000 and \$75,000 the following consultant solicitation procedure applies:
  - (a) Proposals shall be solicited from a minimum of three (3) Consultants.
  - (b) Of the three Proposals sought, one shall be obtained from an MBE, one from a WBE, and one from an ESB.
  - (c) If a Proposal is not available in a particular category from an MBE, WBE, or ESB Consultant certified by the State of Oregon for the type of work required, an additional Proposal shall be obtained from one of the other categories. If three Proposals are not available from all of the categories combined, the remaining Proposal(s) may be obtained from any other Consultant.
  - (d) A Proposal shall be “not available” in a specific category if all Consultants in that category ((MBE, WBE, or ESB) certified by the State in that category and located within 75 miles from the place where the Contract is to be performed, have been advised of the contracting opportunity, have been given a reasonable period of time under the circumstances to submit a Proposal, and have failed or declined to provide a Proposal within the time specified.

- (3) For contracts in excess of \$75,000 but not exceeding \$150,000 a minimum of three (3) informal proposals shall be solicited from consultants who can reasonably be expected to provide the required services. One (1) of the three consultants contacted shall be a MBE, WBE or ESB consultant if available (see (2) (d) above).
- (4) Departments using the Informal Selection Procedure shall:
  - (a) Create a Request for Proposals that includes at a minimum the following:
    - (A) A description of the Project for which Consultant's Architectural, Engineering, Land Surveying or Related Services are needed and a description of the Architectural, Engineering, Land Surveying or Related Services that will be required under the resulting Contract;
    - (B) 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) Date and time Proposals are due and other directions for submitting Proposals;
    - (E) A statement that Proposers responding to the RFP do so solely at their expense, and the Department is not responsible for any Proposer expenses associated with the RFP;
    - (F) Criteria upon which most qualified Consultant will be selected. Selection Criteria may include:
      - (i) Amount and type of resources and number of experienced staff Consultant has available to perform the Architectural, Engineering, Land Surveying or Related Services described in the Request for Proposals 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 and Land Surveying Services and Related Services;
      - (ii) Proposed management techniques for the Architectural, Engineering, Land Surveying or Related Services described in the Request for Proposals;
      - (iii) Consultant's capability, experience and past performance history and record in providing similar Architectural, Engineering, Land Surveying or Related Services, including but not limited to quality of Work, ability to meet schedules, cost control methods and Contract Administration practices;
      - (iv) Approach to Architectural, Engineering, Land Surveying or Related Services described in the Request for Proposals and design philosophy, if applicable;
      - (v) Proposer's geographic proximity to and familiarity with the physical location of the Project;
      - (vi) Volume of Work, if any, previously awarded to Proposer, 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) Ownership status and employment practices regarding Women, minorities and Emerging Small Businesses or historically underutilized businesses; and
      - (viii) Pricing policies, Proposals and other pricing information.

- (b) Review and rank all Proposals received according to the criteria set forth in the Request for Proposals.
- (5) After it reviews and ranks each Proposer, the Department will begin negotiating a Contract with the highest ranked Proposer. The Department shall direct Negotiations toward obtaining Written agreement on:
- (a) Consultant's performance obligations and performance schedule;
  - (b) Payment methodology and a maximum amount payable to Contractor for the Architectural, Engineering, Land Surveying or Related Services required under the Contract that is fair and reasonable to the Department as determined solely by the Department, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Land Surveying or Related Services; and
  - (c) Any other provisions the Department believes to be in the Department's best interest to negotiate.
- (6) The Department shall, either orally or in Writing, formally terminate Negotiations with the highest ranked Proposer if the Department and Proposer are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The Department may thereafter negotiate with the second ranked Proposer, and if necessary, with the third ranked Proposer, until Negotiations result in a Contract. If Negotiations with any of the top three (3) Proposers do not result in a Contract within a reasonable amount of time, the Department 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 Rule 48-0220 (Formal Selection Procedure).
- (7) The Department shall terminate the Informal Selection Procedure and proceed with the Formal Selection Procedure under Rule 48-0220 if the scope of the anticipated Contract is revised during Negotiations so that the Estimated Fee will exceed \$150,000. Notwithstanding the foregoing, the Department may continue Contract Negotiations with the Proposer selected under the Informal Selection Procedure if the Department makes Written determinations that contracting with that Proposer will:
- (a) Promote efficient use of the Department's resources and result in substantial cost savings to the Department; and
  - (b) Protect the integrity of the public contracting process and the competitive nature of the Procurement by not encouraging favoritism or substantially diminishing competition in the Award of the Contract.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C.110

#### **48-0220 Formal Selection Procedure**

- (1) **General.** Subject to Rule 48-0130 (Applicable Selection Procedures; Pricing Information), Departments shall use the Formal Selection Procedure described in this Rule to select Consultants if the Consultants cannot be selected under either Rule 48-0200 (Direct Appointment Procedure) or under Rule 48-0210 (Informal Selection Procedure). The Formal Selection Procedure may otherwise be used at Departments' discretion. For architectural, engineering or land surveying services Contracts that are subject to the provisions of ORS 279C.110(2) because the County is receiving funds from the State of Oregon that will be used to pay for all or a portion of the design and construction of the project and those funds exceed

10 percent of the value of the project and the project exceeds \$900,000 the Department shall follow the selection process set forth in ORS 279C.110.

- (2) **Advertisement.** Departments using the Formal Selection Procedure shall obtain Contracts through public advertisement of a Request for Proposals or a Request for Qualifications followed by a Request for Proposals.
  - (a) Advertisement of each RFP and RFQ shall be in accordance with the requirements of Rule 47-0300.
    - (A) CPCA shall publish the advertisement within a reasonable time before the deadline for the Proposal submission or response to the RFQ but in any event no fewer than fourteen (14) Days before the Closing date set forth in the RFP or RFQ.
    - (B) CPCA shall include a brief description of the following items in the advertisement:
      - (i) The Project;
      - (ii) A description of the Architectural, Engineering, Land Surveying or Related Services the Department seeks;
      - (iii) How and where Consultants may obtain a copy of the RFP or RFQ; and
      - (iv) The deadline for submitting a Proposal or response to the RFP or RFQ.
- (3) **Request for Qualifications Procedure.** Departments may use the RFQ procedure to evaluate potential Consultants and establish a short list of qualified Consultants to whom the Department may issue an RFP for some or all of the Architectural, Engineering, Land Surveying or Related Services described in the RFQ.
  - (a) The Department shall include the following, at a minimum, in each RFQ:
    - (A) A brief description of the Project for which the Department is seeking Consultants;
    - (B) A description of the Architectural, Engineering, Land Surveying or Related Services the Department seeks for the Project;
    - (C) The deadline for submitting a response to the RFQ;
    - (D) A description of required Consultant qualifications for the Architectural, Engineering, Land Surveying or Related Services the Department seeks;
    - (E) The RFQ evaluation criteria, including weights or points applicable to each criterion;
    - (F) A statement whether or not the Department will hold a pre-qualification meeting for all interested Consultants to discuss the Project and the Architectural, Engineering, Land Surveying or Related Services described in the RFQ and if a pre-qualification meeting will be held, the date, time and location of the meeting and whether or not attendance is mandatory; and
    - (G) A Statement that Proposers responding to the RFQ do so solely at their expense, and the Department is not responsible for any Proposer expenses associated with the RFQ.
  - (b) The Department may include a request for any or all of the following in each RFQ:
    - (A) A statement describing Consultant's general qualifications and related performance information;

- (B) A description of Consultant's specific qualifications to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFQ including Consultant's available resources and recent, current and projected workloads;
  - (C) A list of similar Architectural, Engineering, Land Surveying or Related Services and references concerning past performance, and a copy of all records, if any, of Consultant's performance under Contracts with any other contracting agency;
  - (D) The number of Consultant's experienced staff available to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFQ, including such personnel's specific qualifications and experience and an estimate of the proportion of their time that such personnel would spend on those services;
  - (E) Approach to Architectural, Engineering, Land Surveying or Related Services described in the RFQ and design philosophy, if applicable;
  - (F) Proposer's geographic proximity to and familiarity with the physical location of the Project;
  - (G) Ownership status and employment practices regarding Women, minorities and Emerging Small Businesses or historically underutilized businesses;
  - (H) Any other information the Department deems reasonable and necessary to evaluate Consultants' qualifications; and
  - (I) Pricing policies, Proposals and other pricing information.
- (c) **RFQ Evaluation Committee.** The Department shall establish an RFQ evaluation committee of at least three (3) individuals to review, score, and rank the responding Consultants according to the Solicitation criteria. The Department may appoint to the evaluation committee, Department employees, or employees of other public entities, with experience in architecture, engineering, or land surveying, Related Services, construction or public contracting. The Department may include on the evaluation committee private practitioners of architecture, engineering, land surveying or related professions. The Department shall designate one (1) member of the evaluation committee from the County as the evaluation committee chairperson.
- (d) The Department may use any reasonable screening or evaluation method to establish a short list of qualified Consultants, including but not limited to:
- (A) Requiring Consultants responding to an RFQ to achieve a Threshold score before qualifying for placement on the short list;
  - (B) Placing a pre-determined number of the highest scoring Consultants on a short list;
- (e) After the evaluation committee reviews, scores and ranks the responding Consultants, the Department shall establish a short list of at least three (3) qualified Consultants, provided however, that if four or fewer Consultants responded to the RFQ, then:
- (A) The Department may establish a short list of fewer than three (3) qualified Consultants; or
  - (B) CPCA may cancel the RFQ and issue an RFP.
- (f) No Consultant will be eligible for placement on the Department's short list established under Section (3) of this Rule if the Consultant or any of Consultant's principals, partners or associates is a member of the Department's RFQ evaluation committee.

- (g) Except when the RFQ is cancelled, CPCA shall provide a copy of the subsequent RFP to each Consultant on the short list.
- (4) **Formal Selection of Consultants Through Request for Proposals.** Departments shall use the following procedure when issuing an RFP for a Contract described in Section (1) of this Rule.
  - (a) **RFP Required Contents.** Departments using the Formal Selection Procedure shall include at least the following in each Request for Proposals, whether or not the RFP is preceded by an RFQ:
    - (A) General background information, including a description of the Project and the specific Architectural, Engineering, Land Surveying or Related Services sought for the Project, the estimated Project cost, the estimated time period during which the Project is to be completed, and the estimated time period in which the specific Architectural, Engineering, Land Surveying or Related Services sought will be performed.
    - (B) The RFP evaluation process and criteria which will be used to select the most qualified Proposer, including the number of points applicable to each criterion. If the RFP does not indicate the applicable number of points, then each criterion is worth the same number of points. Evaluation criteria may include, but are not limited to, the following:
      - (i) Proposer's availability and capability to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFP;
      - (ii) Experience of Proposer's key staff persons in providing similar Architectural, Engineering, Land Surveying or Related Services on comparable Projects;
      - (iii) The amount and type of resources, and number of experienced staff persons Proposer has available to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFP;
      - (iv) The recent, current and projected workloads of the staff and resources referenced in this Section;
      - (v) The proportion of time Proposer estimates that the staff referenced in this Section, would spend on the Architectural, Engineering, Land Surveying or Related Services described in the RFP;
      - (vi) Proposer's demonstrated ability to successfully complete similar Architectural, Engineering, Land Surveying or Related Services on time and within budget, including whether or not there is a record of satisfactory performance under Rule 48-0120 (List of Interested Consultants; Performance Record);
      - (vii) References and recommendations from past clients;
      - (viii) Proposer's performance history in meeting deadlines, submitting accurate estimates, producing high quality Work, and meeting financial obligations;
      - (ix) Status and quality of any required license or certification;
      - (x) Proposer's knowledge and understanding of the Project and Architectural, Engineering, Land Surveying or Related Services described in the RFP as shown in Proposer's approach to staffing and scheduling needs for the Architectural, Engineering, Land Surveying or Related 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, Land Surveying or Related Services described in the RFP;
  - (xiii) Any other criteria relevant to the Project and Architectural, Engineering, Land Surveying or Related Services described in the RFP, including, where the nature and budget of the Project so warrant, a design competition between competing Proposers;
  - (xiv) 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; and
  - (xv) If interviews are possible, the weight or points applicable to the potential interview;
- (C) The RFP shall include at a minimum the following provisions:
- (i) The date and time Proposals are due, and the delivery location for Proposals;
  - (ii) Reservation of the right to seek clarifications of each Proposal;
  - (iii) Reservation of the right to negotiate a final Contract that is in the best interest of the County;
  - (iv) Reservation of the right to reject any or all Proposals and reservation of the right to cancel the RFP at anytime if doing either would be in the public interest;
  - (v) A Statement that Proposers responding to the RFP do so solely at their expense, and the County is not responsible for any Proposer expenses associated with the RFP;
  - (vi) A statement directing Proposers to the protest procedures set forth in these Rules;
  - (vii) Any other special Contract requirements;
  - (viii) A statement whether or not a pre-Proposal meeting will be held for all interested Consultants to discuss the Project and the Architectural, Engineering, Land Surveying or Related Services described in the RFP and if a pre-Proposal meeting will be held, the location of the meeting and whether or not attendance is mandatory;
  - (ix) A request for any other information reasonably necessary to permit the County to evaluate, rank and select the most qualified Proposer to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFP;
  - (x) A sample form of the Contract; and
  - (xi) Pricing policies, Proposals and other pricing information.
- (5) **RFP Evaluation Committee.** The Department shall establish a committee of at least three (3) individuals to review score and rank Proposals according to the evaluation criteria set forth in the RFP. If the RFP has followed an RFQ, the Department may include the same members who served on the RFQ evaluation committee. The Department may appoint to the evaluation

committee, Department employees, or employees of other public agencies, with experience in architecture, engineering, land surveying, related services, construction or public contracting.

- (6) No Proposer will be eligible for Award of the Contract under the RFP if the Proposer or any of Proposer's principals, partners or associates is a member of the RFP evaluation committee for the Contract.
- (7) 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 up to the number of points indicated in the RFP for the anticipated interview.
- (8) The evaluation committee shall provide to the CPCA Manager the results of the scoring and ranking for each Proposer.
- (9) **Initial Negotiations.** The Department will begin negotiating a Contract with the highest ranked Proposer. The Department shall direct Negotiations toward obtaining Written agreement on:
  - (a) Consultant's performance obligations and performance schedule;
  - (b) Payment methodology and a maximum amount payable to Contractor for the Architectural, Engineering, Land Surveying or Related Services required under the Contract that is fair and reasonable to the Department as determined solely by the Department, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Land Surveying or Related Services; and
  - (c) Any other provisions the Department believes to be in the Department's best interest to negotiate.
- (10) **Subsequent Negotiations.** The Department shall, either orally or in Writing, formally terminate Negotiations with the highest ranked Proposer if the Department and Proposer are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The Department may thereafter negotiate with the second ranked Proposer, and if necessary, with the third ranked Proposer, and so on, in accordance with subsection (9) of this 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 Department may determine to end the particular formal Solicitation. In such event, CPCA shall issue an appropriate notice of the Department's decision. Nothing in this Rule precludes the County from proceeding with a new formal Solicitation for the same Architectural, Engineering, Land Surveying or Related Services described in the RFP that failed to result in a Contract.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C.110

#### **48-0230 Ties Among Proposers**

- (1) If the County 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 County may select a candidate through any process that the County believes will result in the best value for the County, taking into account the scope, complexity and nature of the Architectural, Engineering, Land Surveying or Related Services. The process shall instill public confidence through ethical and fair dealing, honesty and good faith on the part of the Department and Proposers and shall protect the integrity of the public contracting process. Once a tie is broken,

the County and the selected Proposer shall proceed with Negotiations under Rules 48-0210(3) or 48-0220(9), as applicable.

- (2) If the County is selecting a Consultant on the basis of price alone, or on the basis of price and qualifications, and determines after the ranking, following all allowable methods of proposal evaluation including oral evaluations or interviews that two or more Proposers are equal in terms of price or are equal in terms of price and qualifications, then the County shall follow the procedure set forth in Rule 46-0300.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C.110

#### **48-0240 Protest Procedures**

- (1) **RFP Protest and Request for Change.** Consultants may submit a Written protest of anything contained in an RFP and may request a change to any provision, Specification or Contract term contained in an RFP, no later than ten (10) Days prior to the date Proposals are due unless a different deadline is indicated in the RFP. Each protest and request for change shall include the reasons for the protest or request, and any proposed changes to the RFP provisions, Specifications or Contract terms. The CPCA Manager will not consider any protest or request for change that is submitted after the submission deadline.
- (2) **Protest of Consultant Selection.** The CPCA Manager shall provide notice to all Proposers of intent to Award the Contract to the highest ranked Proposer. A Proposer who claims to have been adversely affected or aggrieved by the selection of the highest ranked Proposer may submit a Written protest of the selection to CPCA Manager no later than seven (7) Days after the date of the selection notice unless a different deadline is indicated in the RFP. A Proposer submitting a protest shall claim that the protesting Proposer is the highest ranked Proposer because the Proposals of all higher ranked Proposers failed to meet the requirements of the RFP or because the higher ranked Proposers otherwise are not qualified to perform the Architectural, Engineering, Land Surveying or Related Services described in the RFP. The CPCA Manager will not consider any protest that is submitted after the submission deadline.
- (3) **Decision.** The CPCA Manager shall resolve all timely submitted protests within a reasonable time following receipt of the protest and once resolved, shall promptly issue a Written decision on the protest to the Proposer who submitted the protest.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279A.065, ORS 279C.110

#### **48-0250 Solicitation Cancellation; Rejection; Costs**

The CPCA Manager may cancel a Solicitation whether direct appointment, informal or formal, or reject all Proposals or responses to RFPs or RFQs, or any combination of the foregoing, without liability to the County at anytime after issuing an RFP or RFQ, if it is in the public interest to do so. Consultants responding to either solicitations or RFQs are responsible for all costs they may incur in connection with submitting Proposals and responses to RFPs or RFQs.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279A.065

**48-0310 Contract Reinstatements; Effect of Material Alteration or Delay of Project**

- (1) **Compensation.** When a Contract expires and is reinstated pursuant to this Rule, the County may compensate the Consultant for Architectural, Engineering, Land Surveying or Related Services performed in the interim between the expiration of the original Contract and the reinstatement.
- (2) **Agreement-to-Agree Reinstatement.** When an Agreement-To-Agree expires and is reinstated pursuant to this Rule, the County may compensate the Consultant for Architectural, Engineering and Land Surveying and Related Services performed under a Contract resulting from a Work order issued under the Agreement-To-Agree, during the time period between the expiration of the Agreement-To-Agree and the reinstatement.
- (3) **Reasons.** Contracts or Agreements-To-Agree may be reinstated for any of the following reasons:
  - (a) When an administrative error or oversight is discovered, the Department may submit, for approval by the CPCA Manager, an Amendment to reinstate the Contract; or
  - (b) If the project for which the Consultant has been selected and awarded becomes inactive, or is terminated, whether due to project phasing, or insufficient appropriations, separately or combined, the Department may, if the project is reactivated, retain the same Consultant to complete the Architectural, Engineering, Land Surveying Related Services required under the Contract if the Department Director makes Written findings that retaining the Consultant:
    - (A) Is not likely to encourage favoritism or substantially diminish competition in the awarding of Architectural, Engineering, Land Surveying or Related Services Contracts;
    - (B) Will result in substantial cost savings to the County; and
    - (C) Is in the best interest of the County.
- (4) **Effect of Material Alteration or Delay of Project.** If the Department delays or delays and then materially alters a Project for which the County has entered into a Contract, and the Contract has expired or been terminated, the County may enter into a Contract with the same Consultant to perform either the same Architectural, Engineering, Land Surveying or Related Services described in the Contract or Architectural, Engineering, Land Surveying or Related Services as amended to reflect the Department's material alteration of the Project if no more than one year has passed since expiration or termination of the Contract and the Department makes Written findings that entering a Contract with Consultant:
  - (a) Will promote efficient use of public funds and resources and result in substantial cost savings;
  - (b) Will not encourage favoritism in the contracting process; and
  - (c) Will not substantially diminish competition for future Contracts with Consultants.

Stat. Auth.: ORS 279A.050; ORS 279A.065(5)(a); and ORS 279A.070

Stats. Implemented: ORS 279A.065, ORS 279A.070, ORS 279C.110, and ORS 279A.140

#### **48-0320 Special Contract Processes**

- (1) Consultants for Agreements-To-Agree shall be selected, and the Department shall obtain Architectural, Engineering, Land Surveying or Related Services by selecting a Consultant or Consultants in the following manner:
  - (a) The Department selects one (1) or more Consultants under the applicable provisions of Rules 48-0200, 48-0210, or 48-0220.
  - (b) The Department develops documents that include a specific Statement of Work for each anticipated Contract under the Agreement-To-Agree document.
  - (c) When the Department selects more than one (1) Consultant under the Agreement-To-Agree Solicitation process, the Department shall identify a standard in the Solicitation Document and the Agreement-to-Agree to be used in assigning particular Architectural, Engineering, Land Surveying or Related Services under the Agreements-To-Agree.
- (2) Design-Build Contracts involve the provision of both design and construction services for Public Improvements under one (1) Contract. Under most circumstances, Design-Build Contracts are Mixed Contracts with the predominate purpose of the Contract involving construction of the Public Improvement. If the predominate purpose of the Contract is to obtain Architectural, Engineering, Land Surveying or Related Services, selection may proceed under these Division 48 Rules. Otherwise, the selection process will require an Exemption from Competitive Bidding under Division 49, unless the Design-Build Contract is to be awarded to the Responsible Bidder submitting the lowest Responsive Bid.

Stat. Auth.: ORS 279A.065(5)(a); ORS 279A.070

Stats. Implemented: ORS 279C.110 and ORS 279C.115

#### **48-0330 Contract Amendments**

- (1) The County may amend any Contract if the County, in its sole discretion, determines that the amendment is within the scope of services contemplated under the Solicitation and that the amendment would not materially impact the field of competition for the services described in the Solicitation. In making this determination, the Department shall consider potential alternative methods of procuring the services contemplated under the proposed amendment. An amendment would not materially impact the field of competition for the services described in the Solicitation if the Department reasonably believes that the number of Proposers would not significantly increase if the Solicitation were re-issued to include the additional services.
- (2) The County may amend any Contract if the additional services are required by reason of existing or new laws, rules, regulations or ordinances of federal, state or local agencies that affect performance of the original Contract.
- (3) All amendments to Contracts shall be in Writing, shall be Signed by an authorized representative of the Consultant and the Department.
- (4) A Department shall have authority to authorize increases resulting from amendments to a Contract provided that the total of all such increases shall not exceed 20 percent of the original Contract Price. For contracts of \$150,000 or less increases in excess of the 20 percent limit shall be submitted to the CPCA Manager for approval prior to authorization of performance of the Work. For contracts in excess of \$150,000, increases in excess of the 20 percent limit shall be submitted to the CPCA Manager to obtain approval by the Board prior to authorization of performance of the Work.

- (5) Every Contract for Architectural, Engineering, Land Surveying and Related Services shall comply with the requirements of this Rule including Contracts advertised, or if not advertised, entered into prior to March 1, 2005.

## **DIVISION 49 GENERAL PROVISIONS RELATED TO PUBLIC CONTRACTS FOR CONSTRUCTION SERVICES**

### **49-0100 Application**

- (1) These Division 49 Rules apply to Public Improvement Contracts as well as Public Contracts for ordinary construction Services that are not Public Improvements as identified.
- (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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

### **49-0110 Policies**

In addition to the general Code policies 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 49 Rules.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.300 & ORS 279C.305

### **49-0130 Competitive Bidding Requirement**

A Department shall solicit Bids for Public Improvement Contracts by Invitation to Bid, except as otherwise allowed or required pursuant to ORS 279C.335 on Competitive Bidding exceptions and Exemptions, 279A.030 on federal law overrides or 279A.100 on affirmative action. Also see Rule 49-0600 to 49-0690 regarding the use of Alternative Contracting Methods and the Exemption process.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335

### **49-0140 Contracts for Construction Other Than Public Improvements**

- (1) **Procurement Under ORS Chapter 279B.** Pursuant to ORS 279C.320, Public Contracts for construction services that are not Public Improvement Contracts, other than Emergency Contracts regulated under ORS 279C.335(6) and Rule 49-0150, may be procured and amended as general Trade Services under the provisions of Division 47 rather than under the provisions of these Division 49 Rules. This includes, but is not limited to, Contracts for minor alteration, ordinary repair or maintenance necessary to preserve a Public Improvement.
- (2) **Application of ORS Chapter 279C.** Non-procurement provisions of ORS Chapter 279C and these Division 49 Rules may still be applicable to the resulting Contracts. See, for example, particular statutes on Disqualification (ORS 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); Subcontracts (ORS 279C.580); Action on Payment Bonds (ORS 279C.600, 605, 610, 615, 620 and 625); Termination (ORS 279C.650, 650, 660 and 670); and all of the Prevailing Wage Rates requirements (ORS 279C.800 to 870) for Public Works Contracts.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279C.320

#### **49-0150 Emergency Contract Procedure; Waiver of Bond Requirements**

- (1) **Emergency Procedure.** In the event of an Emergency that requires prompt execution of a Public Contract for Emergency construction or repair Work the procedures in Rules 47-0280 and 47-0800(4) shall be followed.
- (2) **Waiver of Bond Requirements.** The Emergency declaration may also state that the County waives the requirement of furnishing a performance bond, payment bond and BOLI Public Works bond for the Emergency Contract.

Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 279C.335 and 279C.380

#### **49-0160 Informal Quotes and Amendments**

- (1) **General.** Public Improvement Contracts estimated by the Department not to exceed \$75,000, or not to exceed \$50,000 in the case of Contracts for highways, bridges and other transportation projects, may be Awarded in accordance with Informal procedures for Quotes established by this Rule. A Procurement may not be artificially divided or fragmented so as to constitute an Informal Quote under this Rule or to circumvent Competitive Bidding requirements.
- (2) **Selection Criteria.** The selection criteria may be limited to price or some combination of price, experience, specific expertise, availability, project understanding, contractor capacity, responsibility and similar factors.
- (3) **Request for Quotes.** Departments shall utilize Written requests for Quotes for all projects estimated by the Department to exceed \$50,000 or if criteria other than cost will be used to award the Contract regardless of Contract amount. Written request for Quotes shall include:
  - (a) The selection criteria to be utilized in selecting a Contractor and, if the criteria are not of equal value, their relative value or ranking;
  - (b) A complete description of the proposed Work;
  - (c) Location and deadline for submittal of Quotes;
  - (d) The prevailing wage provisions of ORS 279C.800 to 279C.870, when applicable;
    - (A) If no federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(a) shall be attached to the contract.
    - (B) If federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(b) shall be attached to the contract.
  - (e) The performance bond, payment bond and BOLI Public Works bond requirements of ORS 279C.380 and 279C 830, when applicable;
  - (f) The contractor registration requirements of ORS 701;.and
  - (g) Any other law applicable to such a Contract.
- (4) **Number of Quotes; Record Required.** Departments may let Public Improvement Contracts between \$5,000 and the limits set forth in subsection (1) of this Rule without formal Competitive Bidding if the Contract is for a single project and is not a component of or related to any other project and the requirements of this subsection are met. When the amount of the

Contract does not exceed \$5,000 and the Contract otherwise meets the requirements of this section, Departments are exempt from Competitive Solicitation; however, Departments shall where practicable, obtain Informal Quotes. When the amount of the Contract is more than \$5,000 but equal to or less than the limits set forth in subsection (1) of this Rule, Informal Quotes shall be solicited in the following manner:

- (a) A minimum of three (3) Quotes shall be solicited from vendors who can reasonably be expected to provide a Quote. If three (3) Quotes are not available, a lesser number will suffice provided a Written record is made of the effort to obtain the Quotes.
  - (b) Of the three (3) Quotes provided for in the previous subsection, one (1) shall be obtained from an MBE, one (1) from a WBE, and one (1) from an ESB. More than three (3) Quotes may be solicited providing that the additional Quotes are solicited from MBEs, WBEs and ESBs. Additional Quotes shall not be solicited except as provided in the following subsection.
  - (c) If a Quote is not available in a particular category from an MBE, WBE, or ESB Contractor certified by the State of Oregon for the type of Work required, an additional Quote shall be obtained from one (1) of the other categories. If three (3) Quotes are not available from all of the categories combined, the remaining Quote(s) may be obtained from any other contractor. A Quote shall be "not available" in a specific category (MBE, WBE, or ESB) if all contractors certified by the State in that category and located within 75 miles from the place where the Contract is to be performed, have been advised of the contracting opportunity, have been given a reasonable period of time under the circumstances to make a Quote, and have failed to provide a Quote within the time specified.
  - (d) If three (3) Quotes are not reasonably available from all sources, the Department shall make a Written record of the effort made to obtain those Quotes.
- (5) **Award.** If Awarded, the Department shall Award the Contract to the prospective contractor whose Quote will best serve the interests of the Department, taking into account price and any other selection criteria included in the Solicitation. If Award is not made to the Offeror offering the lowest price, the Department shall make a Written record of the basis for Award and place the record in the Procurement File.
- (6) **BOLI Notification.** The Department shall provide notification of Award to BOLI as required by ORS 279C.835.
- (7) **Price Increases.** Public Improvement Contracts obtained by competitive Quotes may be increased above the initial amount of Award by Department issuance of a Change to the Work or Amendment, pursuant to Rule 49-0910, within the following limitations:
- (a) A Department shall have authority to authorize increases resulting from all amendments to a Contract up to 20 percent of the original Contract Price, except for Contracts for the renovation or remodeling of a building in which case the aggregate increase resulting from all amendments shall not exceed 33 percent of the initial Contract Price. The CPCA Manager shall have authority to approve increases in excess of these limits so long as the total Contract amount does not exceed \$75,000 for Public Improvement Contracts or \$50,000 in the case of Contracts for highways, bridges and other transportation projects. Increases in excess of these limits shall be submitted to the CPCA Manager to obtain approval by the Board prior to authorization of performance of the Work.
- (8) The limitations in the previous section shall not apply where unit prices or additive alternates are provided for in the Contract which establishes the cost basis for the additional Work or

product and the Contract includes the terms and conditions for provision of the additional Work.

- (9) **Exemption from Requirement to Solicit Informal Quotes.** A Department may submit a Written request to the CPCA Manager seeking an Exemption from the requirement to solicit Informal Quotes. The request shall include description of the proposed selection procedure, a description of the Public Improvement and the circumstances that justify exemption from the requirement to solicit quotes. The CPCA Manager may require any additional information deemed necessary to evaluate the request for approval of the Exemption.

Stat. Auth.: ORS 279A.065

Stats. Implemented: Sections 132, 133 and 332a, Ch. 794 Oregon Laws 2003. Temporary provisions relating to competitive Quotes were not codified but compiled as Legislative Counsel notes following ORS 279C.410.

## FORMAL PROCUREMENT RULES

### 49-0200 Solicitation Documents for Invitations to Bid and Requests for Proposals

- (1) **Solicitation Document.** The Solicitation Document shall include the following:
- (a) **General Information.**
- (A) Identification of the Public Improvement project, including the character of the Work, and applicable plans, Specifications and other Contract documents;
  - (B) 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) That statements made by the County's representatives at the conference are not binding upon the County unless confirmed by Written Addendum.
  - (C) The deadline for submitting mandatory prequalification applications and the class or classes of Work for which Offerors shall be prequalified if prequalification is a requirement;
  - (D) The name and title of the Sr. Buyer as the person designated for receipt of Offers and CPCA contact Person (if different);
  - (E) Instructions and information concerning the form and submission of Offers, including the CPCA address to which Offers shall be delivered, any Bid or Proposal security requirements, and any other required information or special information, e.g., whether Offers may be submitted by Facsimile (See Rule 49-0300 regarding Facsimile Bids or Proposals and Rule 49-0310 regarding Facsimile Bids and Proposals);
  - (F) The time and date of Closing after which the County will not accept Offers, which time shall be not less than five (5) Days after the date of the last publication of the advertisement. Although a minimum of five (5) Days is prescribed, Departments are encouraged to use at least a 14 Day Solicitation period when feasible. If the Department is issuing an ITB that may result in a Public Improvement Contract with a value in excess of \$100,000, CPCA shall designate a time of Closing consistent with the first-tier subcontractor disclosure requirements of ORS

279C.370(1)(b) and Rule 49-0360. For timing issues relating to Addenda, see Rule 49-0250;

- (G) The time, date and place of Opening;
  - (H) The office where the Specifications for the Work may be reviewed;
  - (I) A statement that each Bidder to an ITB shall identify whether the Bidder is a "Resident 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 to 279C.870 or the Davis-Bacon Act (40 U.S.C. 276a), a statement that no Offer will be received or considered by the County 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.840 or 40 U.S.C. 276a.";
  - (K) A statement that the County will 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 Rule 49-0230;
  - (L) Whether a Contractor or a subcontractor under the Contract 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);
  - (N) How the County will notify Offerors of Addenda and how the County will make Addenda available (See Rule 49-0250); and
  - (O) When applicable, instructions and forms regarding First-Tier Subcontractor Disclosure requirements, as set forth in Rule 49-0360.
- (b) Evaluation Process:
- (A) A statement that the County may reject any Offer not in compliance with all prescribed public contracting procedures and requirements, and may reject for good cause all Offers upon the County's finding that it is in the public interest to do so;
  - (B) The anticipated Solicitation schedule, deadlines, protest process and evaluation process;
  - (C) Evaluation criteria, including the relative value applicable to each criterion, that the Department will use to determine the Responsible Bidder with the lowest Responsive Bid (where Award is based solely on price) or the Responsible Proposer or Proposers with the best Responsive Proposal or Proposals (where use of Competitive Proposals is authorized under ORS 279C.335 and Rule 49-0620), along with the process the Department will use to determine acceptability of the Work;
    - (i) If the Solicitation Document is an Invitation to Bid, any special price evaluation factors shall be set forth 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, ownership or life-cycle cost formulas. Price evaluation factors need not be precise predictors of actual future costs; but, to the extent possible, such

evaluation factors shall be objective, reasonable estimates based upon information the Department has available concerning future use;

- (ii) If the Solicitation Document is a Request for Proposals, the Department shall refer to the additional requirements of Rule 49-0650; and
- (c) **Contract Provisions.** The Solicitation Document shall include all Contract terms and conditions, including warranties, insurance and bonding requirements, that the Department considers appropriate for the Public Improvement project. The Solicitation Document 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; 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) Conditions concerning payment of claims by the County (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 shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor 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) Requirement to pay prevailing wage rates (ORS 279C.800 to 279C.870);
    - (i) If no federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(a) shall be attached to the contract.
    - (ii) If federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(b) shall be attached to the contract.
  - (O) Fee paid to BOLI (ORS 279C.830);

- (P) BOLI Public Works bond (ORS279C.830 (3))
- (Q) Retainage (ORS 279C.550 to 279C.570);
- (R) Prompt payment policy, progress payments, rate of interest (ORS 279C.570);
- (S) Contractor's relations with subcontractors (ORS 279C.580);
- (T) Notice of claim (ORS 279C.605);
- (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 to 701.055 before the subcontractors commence Work under the Contract.

(2) **Assignment or Transfer Restricted.** The Solicitation and the Contract shall also provide that:

- (a) The Contractor shall not assign, sell, dispose of, or transfer rights, nor delegate duties under the Contract, either in whole or in part, without the prior Written consent of the County.
- (b) Unless otherwise agreed by the County in Writing, such consent shall not relieve the Contractor of any obligations under the Contract and any assignee or transferee shall be considered the agent of the Contractor and be bound to abide by all provisions of the Contract.
- (c) If the County consents in 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, shall remain liable to the County for complete performance of the Contract as if no such assignment, sale, disposal, transfer or delegation had occurred unless the County otherwise agrees in Writing.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.110, ORS 279A.120, ORS 279C.365, ORS 279C.370, ORS 279C.390, ORS 279C.505 to 580, ORS 279C.605, 279C.830, ORS 305.385, ORS 468A.720, ORS 701.005 & ORS 701.055

#### **49-0210 Notice and Advertising Requirements; Posting**

- (1) **Notice and Distribution Fee.** Notice shall be given as set forth below in subsections (a) through (c), to a number of Persons sufficient for the purpose of fostering and promoting competition. The Notice shall indicate where, when, how and for how long the Solicitation Document may be obtained and generally describe the Public Improvement project or Work. The Notice may contain any other appropriate information. CPCA may charge a fee or require a deposit for the Solicitation Document. CPCA may furnish Notice using any method determined to foster and promote competition, including:
  - (a) Mailing Notice of the availability of Solicitation Documents to Persons that have expressed an interest in County Procurements;
  - (b) Placing Notice on the CPCA web site; or
  - (c) Placing Notice on ORPIN.
- (2) **Advertising.** Pursuant to ORS 279C.360 and this Rule, CPCA shall advertise every Solicitation for competitive Bids or competitive Proposals for a Public Improvement Contract.

- (a) CPCA may publish by Electronic Advertisement. In addition CPCA may publish the advertisement for Offers in a newspaper of general circulation in the area where the Contract is to be performed and in as many additional issues and publications as CPCA may determine to be necessary or desirable to foster and promote competition.
- (b) In addition to the publication required under subsection 2(a), CPCA shall publish an advertisement for Offers in at least one (1) trade newspaper of general statewide circulation if the Contract is for a Public Improvement with an estimated cost in excess of \$75,000.
- (c) All advertisements for Offers shall set forth:
  - (A) The Public Improvement project;
  - (B) The office where Contract terms, conditions and Specifications may be reviewed;
  - (C) The date that Persons shall file applications for prequalification, if prequalification is a requirement, and the class or classes of Work for which Persons shall be prequalified;
  - (D) The scheduled Closing date, which shall not be less than five Days after the date of the last publication of the advertisement;
  - (E) The name and address of the CPCA Manager;
  - (F) The scheduled Opening; and
  - (G) If applicable, that the Contract is for a Public Work subject to ORS 279C.800 to 279C.870 or the Davis-Bacon Act (40 U.S.C. 276(a)).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.360 & ORS 200.035

#### **49-0220 Prequalification of Offerors**

- (1) **Mandatory Prequalification.** A Department may require mandatory prequalification of Offerors for contracts to construct Public Improvements or to perform Public Works on forms prescribed by CPCA. Applications for Prequalification shall be postmarked not less than ten (10) Days prior to the Solicitation Closing date unless otherwise provided in the Solicitation Document. A Department shall indicate in the Solicitation Document if it will require mandatory prequalification. Mandatory prequalification is when a Solicitation Document conditions a Person's submission of an Offer upon the Person's prequalification. The CPCA Manager shall not consider an Offer from a Person that is not prequalified if the Department required prequalification.
- (2) **Prequalification Presumed.** If an Offeror is currently prequalified by either the Oregon Department of Transportation or the Oregon Department of Administrative Services to perform Contracts, the Offeror shall be rebuttably presumed qualified to perform similar Work for the County.
- (3) **Standards for Prequalification.** A Person may prequalify by demonstrating to the Department's satisfaction that the Person meets the standards of responsibility under Rule 49-0390(2).
- (4) **Notice of Denial.** If a Person fails to prequalify, CPCA shall notify the Person, specifying the reasons under subsection (3) of this Rule for denial of prequalification and informing the Person of the right to appeal and the right to a hearing under ORS 279C.445 and 279C.450.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.430 & ORS 279C.435

#### 49-0230 Eligibility to Bid or Propose; Registration or License

- (1) **Construction Contracts.** The CPCA Manager 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 CPCA Manager shall not consider a Person's Offer to do Work as a landscape contractor as defined in ORS 671.520(2), unless the Person has a current, valid landscape contractors license issued pursuant to ORS 671.560 by the State Landscape Contractors Board at the time the Offer is made.
- (3) **Noncomplying Entities.** The CPCA Manager shall deem an Offer received from a Person that fails to comply with this Rule nonresponsive and 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 agencies.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 671.530 & ORS 701.055

#### 49-0240 Pre-Offer Conferences

- (1) **Purpose.** The County may hold pre-Offer conferences with prospective Offerors prior to Closing, to explain the Procurement requirements, obtain information or to conduct site inspections.
- (2) **Required attendance.** The County 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 an offering firm is present.
- (3) **Scheduled time.** If the County holds a pre-Offer conference, it 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 a County representative at the pre-Offer conference do not change the Solicitation Document unless the County confirms such statements with a Written Addendum to the Solicitation Document.
- (5) **Department Announcement.** The County shall set forth notice of any pre-Offer conference in the Solicitation Document in accordance with Rule 49-0200(1)(a)(B).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 and 279C.370

#### 49-0250 Addenda to Solicitation Documents

- (1) **Issuance; Receipt.** The CPCA Manager may change a Solicitation Document only by Written Addenda. An Offeror shall provide Written acknowledgement of receipt of all issued Addenda with its Offer, unless the CPCA Manager otherwise specifies in the Addenda or in the Solicitation Document.
- (2) **Notice and Distribution.** The CPCA Manager shall notify prospective Offerors of Addenda consistent with the standards of Notice set forth in Rule 49-0210(1). The Solicitation Document shall specify how the CPCA Manager will provide notice of Addenda and how the

CPCA Manager will make the Addenda available (see, Rule 49-0200(1)(a)(N). For example, "The CPCA Manager will not mail notice of Addenda, but will publish notice of any Addenda on CPCA Website. Addenda may be downloaded off the CPCA Website. Offerors should frequently check the CPCA Website 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.** The CPCA Manager shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The CPCA Manager may extend the Closing date if the CPCA Manager determines prospective Offerors need additional time to review and respond to Addenda. Except to the extent required by public interest, the Department shall not issue Addenda less than five (5) Days 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 request for change or protest to the Addendum, as provided in Rule 49-0260, by the close of the next Business Day after issuance of the Addendum, or up to the last day allowed to submit a request for change or protest under Rule 49-0260, whichever date is later. The CPCA Manager shall consider only an Offeror's request for change or protest to the Addendum; the CPCA Manager 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 receipt of request for change or protests as set forth in Rule 49-0260(2) and (3).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.395 & ORS 279A.065

#### **49-0260 Request for Clarification or Change; Solicitation Protests**

- (1) **Clarification.** Prior to the deadline for submitting a Written request for change or protest, an Offeror may request that the CPCA Manager clarify any provision of the Solicitation Document. The CPCA Manager's clarification to an Offeror, whether orally or in Writing, does not change the Solicitation Document and is not binding on the County unless the CPCA Manager amends the Solicitation Document by Addendum.
- (2) **Request for Change.**
  - (a) **Delivery.** An Offeror may request in Writing a change to the Specifications or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror shall deliver the Written request for change to the CPCA Manager not less than ten (10) Days prior to Closing;
  - (b) **Content of Request for Change.**
    - (A) An Offeror's Written request for change shall include a statement of the requested change(s) to the Contract terms and conditions, including any Specifications, together with the reason for the requested change.
    - (B) An Offeror 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 or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror shall deliver a Written protest on those matters to the CPCA Manager not less than ten (10) Days prior to Closing;
- (b) **Content of Protest.**
  - (A) An Offeror's Written protest 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.
  - (B) An Offeror 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) **County Response.** The CPCA Manager is not required to consider an Offeror's request for change or protest after the deadline established for submitting such request or protest. The CPCA Manager shall provide notice to the applicable Person if it entirely rejects a protest. If the CPCA Manager agrees with the Person's request or protest, in whole or in part, the CPCA Manager shall either issue an Addendum reflecting its determination under Rule 49-0260 or cancel the Solicitation under Rule 49-0270.
- (5) **Extension of Closing.** If the CPCA Manager receives a Written request for change or protest from an Offeror in accordance with this Rule, the CPCA Manager may extend Closing if the CPCA Manager determines an extension is necessary to consider the request or protest and issue an Addendum, if any, to the Solicitation Document.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.345 & ORS 279C365

#### **49-0270 Cancellation of Solicitation Document**

- (1) **Cancellation in the Public Interest.** The CPCA Manager may cancel a Solicitation for good cause if the CPCA Manager finds that cancellation is in the public interest. The reasons for cancellation shall be made part of the Procurement File.
- (2) **Notice of Cancellation.** If the CPCA Manager cancels a Solicitation prior to Opening, the CPCA Manager shall provide Notice of cancellation in in the same manner as provided in Rule 49-0210(1). Such notice of cancellation shall:
  - (a) Identify the Solicitation;
  - (b) Briefly explain the reason for cancellation; and
  - (c) If appropriate, explain that an opportunity will be given to compete on any resolicitation.
- (3) **Disposition of Offers.**
  - (a) **Prior to Offer Opening.** If the CPCA Manager cancels a Solicitation prior to Offer Opening, the CPCA Manager 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 CPCA Manager shall open the Offer to determine the source and then return it to the Offeror.

- (b) **After Offer Opening.** If the CPCA Manager cancels a Solicitation after Offer Opening, the CPCA Manager shall retain all such Offers as part of the Procurement File.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.395

#### **49-0280 Offer Submissions**

- (1) **Offer and Acceptance.** The Bid or Proposal is the Bidder's or Proposer's Offer to enter into a Contract.
  - (a) In Competitive Bidding, the Offer is always a "Firm Offer," i.e., the Offer shall be held open by the Offeror for acceptance for the period specified in Rule 49-0410. The Award of the Contract to a Bidder constitutes acceptance of the Offer and binds the Offeror to the Contract.
  - (b) In competitive Proposals, the Solicitation Document 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 Bidding, or whether Offers are subject to Discussion, negotiation or otherwise are not to be considered as final offers. See Rule 49-0650 on Requests for Proposals and Rule 49-0290 on Bid or Proposal Security.
- (2) **Responsive Offer.** The County may 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 certain terms and conditions pursuant to Rule 49-0650, an Offeror shall not make an Offer contingent upon the acceptance of any terms or conditions (including Specifications) other than those contained in the Solicitation Document.
- (4) **Offeror's Acknowledgement.** By signing and returning the Offer, the Offeror acknowledges 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 permits Proposal of alternative terms under Rule 49-0650, the Offeror's Offer includes the nonnegotiable terms and conditions and any proposed terms and conditions offered for negotiation upon and to the extent accepted by the County in Writing.
- (5) **Instructions.** An Offeror shall submit and Sign its Offer in accordance with the Solicitation Document. An Offeror shall initial and submit any correction or erasure to its Offer prior to the Closing in accordance with the requirements for submitting an Offer under the Solicitation Document.
- (6) **Forms.** An Offeror shall submit its Offer on the form(s) provided in the Solicitation Document, unless an Offeror is otherwise instructed in the Solicitation Document.
- (7) **Documents.** An Offeror shall provide the County with all documents and Descriptive Literature required under the Solicitation Document.
- (8) **Facsimile Submissions.** If the County permits Facsimile Offers in the Solicitation Document, the Offeror may submit Facsimile Offers in accordance with the Solicitation Document. The CPCA Manager shall not consider Facsimile Offers unless authorized by the Solicitation Document.

- (9) **Product Samples and Descriptive Literature.** A Department 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 Department will 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 shall be submitted in a sealed envelope appropriately marked or in the envelope provided by the County, whichever is applicable.
  - (b) The County is not responsible for Offers submitted in any manner, 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 CPCA receives its Offer at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 & ORS 279C.375

#### **49-0290 Bid or Proposal Security**

- (1) **Security Amount.** If the Department requires Bid or Proposal security, it shall be not more than 10% or less than 5% of the Offeror's Bid or Proposal, consisting of the base Bid or Proposal together with all additive alternates. A Department shall not use Bid or Proposal security to discourage competition. The Solicitation Document shall clearly state any Bid or Proposal security requirements. The Offeror shall forfeit Bid or Proposal security after Award if the Offeror fails to execute the Contract and promptly return it with any required performance bond, payment bond, BOLI Public Works bond and, any required proof of insurance. See ORS 279C.365(4), ORS 279C.385 and ORS 279C. 830 .
- (2) **Requirement for Bid Security (Optional for Proposals).** Except for Solicitations exempted under Rule 49-0460 (5), the Solicitation Document shall require Bid security for Solicitation of Bids for Public Improvements. The Solicitation Document may require Bid security even if the Board has exempted a class of Solicitations from Bid security. The County may require Proposal security in RFPs when Award of a Public Improvement Contract may be made without negotiation following receipt of a Firm Offer as described in Rule 49-0280(1)(b). See ORS 279C.400(5).
- (3) **Form of Bid or Proposal Security.** Only the following forms of Bid or Proposal security may be accepted:
  - (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 CPCA Manager shall return or release the Bid or Proposal security of the successful Offeror and 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 CPCA Manager may return the Bid or Proposal security of unsuccessful Offerors prior to Award if the return does not prejudice Contract Award and the security of at least the Bidders

with the three (3) lowest Bids, or the Proposers with the three (3) highest scoring Proposals, is retained pending execution of a Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.385 & ORS 279C.390

#### **49-0300 Facsimile Bids and Proposals**

- (1) **Authorization.** The CPCA Manager may authorize Offerors to submit Facsimile Offers. If Bid or Proposal security is or will be required, Facsimile Offers shall not be authorized unless a method has been established for receipt of such security. Prior to authorizing the submission of Facsimile Offers, the CPCA Manager shall determine that equipment and personnel are available which are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the CPCA Manager shall establish administrative procedures and controls:
  - (a) To receive, identify, record and safeguard 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 Facsimile Offer for Bids or Proposals are authorized, the following provisions shall be included in the Solicitation Document:
  - (a) A provision substantially in the form of the following: "A '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 County via a facsimile machine.";
  - (b) A provision substantially in the form of the following: "Offerors may submit Facsimile Offers in response to this Solicitation Document. The entire response shall arrive at the place and by the time specified in this Solicitation Document.";
  - (c) A provision that requires Offerors to Sign their Facsimile Offers;
  - (d) A provision substantially in the form of the following: "The County reserves the right to Award the Contract solely on the basis of the Facsimile Offer. However, upon the County's request the apparent successful Offeror shall promptly submit its complete original Signed Offer";
  - (e) The data and compatibility characteristics of the County'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 County is not responsible for any failure attributable to the transmission or receipt of the 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365

#### **49-0320 Pre-Closing Modification or Withdrawal of Offers**

- (1) **Modifications.** An Offeror may modify its Offer in Writing prior to the Closing. An Offeror shall prepare and submit any modification to its Offer in accordance with Rule 49-0280, unless otherwise specified in the Solicitation Document. Any modification shall include the Offeror's statement that the modification amends and supersedes the prior Offer. The Offeror shall mark the submitted modification as follows:
  - (a) Bid (or Proposal) Modification; and
  - (b) Solicitation Number (or Other Identification as specified in the Solicitation Document).
- (2) **Withdrawals.**
  - (a) An Offeror may withdraw its Offer by Written notice submitted on the Offeror's letterhead, 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 CPCA Manager 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 CPCA Manager may release an unopened Offer withdrawn under subsection 2(a) to the Offeror or its authorized representative, after voiding any date and time stamp mark.
  - (c) The Offeror shall mark the Written request to withdraw an Offer as follows:
    - (A) Bid (or Proposal) Withdrawal; and
    - (B) Solicitation Number (or Other Identification as specified in the Solicitation Document).
- (3) **Documentation.** The CPCA Manager shall include all documents relating to the modification or withdrawal of Offers in the appropriate Procurement File.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.360, ORS 279C.365, ORS 279C.375 & ORS 279C.395

#### **49-0330 Receipt, Opening and Recording of Offers; Confidentiality of Offers**

- (1) **Receipt.** CPCA shall mechanically time-stamp or hand-mark each Offer and any modification upon receipt. CPCA shall not open the Offer or modification upon receipt, but shall maintain it as confidential and secure until Opening. If CPCA for any reason opens an Offer or a modification prior to the Opening, CPCA shall return the Offer or modification to its secure and confidential state until Opening and shall document the resealing for the Procurement File (e.g., "CPCA opened the Offer due to improper identification of the Offer").
- (2) **Opening and Recording.** CPCA shall publicly open Offers including any modifications made to the Offer pursuant to Rule 49-0320. In the case of Invitations to Bid, to the extent practicable, CPCA shall read aloud the name of each Bidder, the Bid price(s), and such other

information as CPCA considers appropriate. In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, CPCA will not read Offers aloud.

- (3) **Availability.** After Opening, CPCA shall make Bids available for public inspection, but Proposals shall not be subject to disclosure until after notice of intent to Award is issued. In any event CPCA 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 to 646.475. To the extent such designation is not in accordance with applicable law, those portions shall be made available for public inspection. The Offeror shall separate information designated as confidential from other nonconfidential information at the time of submitting its Offer. Prices, makes, model or catalog numbers of items offered, scheduled delivery dates, and terms of payment are not confidential, and shall be publicly available regardless of an Offeror's designation to the contrary.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.375 & ORS 279C.395

#### **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. CPCA shall not consider late Offers, withdrawals or modifications except as permitted in Rule 49-0350.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.375 & ORS 279C.395

#### **49-0350 Mistakes**

- (1) **Generally.** To protect the integrity of the competitive Procurement process and to assure fair treatment of Offerors, CPCA should carefully consider whether to permit waiver, correction or withdrawal of Offers for certain mistakes.
- (2) **Treatment of Mistakes.** CPCA shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If CPCA discovers certain mistakes in an Offer after Opening, but before Award of the Contract, CPCA may take the following action:
  - (a) 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 Offers or the correct number of other documents required by the Solicitation Document;
    - (B) Sign the Offer in the designated block, provided a 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) 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 correction in 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 a 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). In the event of a discrepancy, unit prices shall prevail over extended prices.

- (c) Permit an Offeror to withdraw an Offer based on one (1) 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 subsection or an error in judgment;
  - (C) That the error cannot be corrected or waived under subsection (b) of this 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 permission to withdraw the Offer is not granted;
  - (G) That the County's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the County or the public; and
  - (H) That the Offeror promptly gave notice of the claimed error to the County.
- (d) The criteria in subsection (2)(c) of this Rule shall determine whether the County will permit an Offeror to withdraw its Offer after Closing. These criterion also shall apply to the question of whether the County will permit an Offeror to withdraw its Offer without forfeiture of its Bid bond (or other Bid or Proposal security), or without liability to the County based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually awarded by the County, whether by Award to the next lowest Responsive and Responsible Bidder or the next best Responsive and Responsible Proposer, or by resort to a new solicitation.
- (3) **Rejection for Mistakes.** CPCA 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.** The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake. Following Award, an Offeror is bound by its Offer, and may withdraw its Offer or rescind a Contract entered into pursuant to this division 49 only to the extent permitted by applicable law.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375 & ORS 279C.395

#### **49-0360 First-Tier Subcontractors; Disclosure and Substitution**

- (1) **Required Disclosure.** Within two working hours after the Bid Closing on an ITB for a Public Improvement having a Contract Price anticipated by the Department to exceed \$100,000, all

Bidders shall submit to the Department 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, whose subcontract value would be equal to or greater than:

- (a) Five 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 applies, the CPCA Manager shall:
- (a) Set the Bid Closing on a Tuesday, Wednesday or Thursday, and at a time between 2 p.m. and 5 p.m., and provided that the two-hour disclosure deadline described by this Rule would not then fall on a legal holiday;
  - (b) Open Bids publicly immediately after the Bid Closing; and
  - (c) Consider for Contract Award only those Bids for which the required disclosure has been submitted by the announced deadline on forms prescribed in the Solicitation Document.
- (3) **Bidder Instructions and Disclosure Form.** For the purposes of this Rule, the Solicitation shall:
- (a) Prescribe the disclosure form that shall be utilized, substantially in the form set forth in ORS 279C.370(2); and
  - (b) Provide instructions in a notice substantially similar to the following:

“Instructions for First-Tier Subcontractor Disclosure”

Bidders are required to disclose information about certain first-tier subcontractors when the Contract value for a Public Improvement is greater than \$100,000 (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% of the project Bid, but at least \$15,000, or (ii) \$350,000 regardless of the percentage, the Bidder shall disclose the following information about that subcontract either in its Bid submission, or within two hours after Bid Closing:

- 1. The subcontractor's name,
- 2. The category of Work that the subcontractor would be performing, and
- 3. The dollar value of the subcontract.

If the Bidder will not be using any subcontractors that are subject to the above disclosure requirements, the Bidder is required to indicate “NONE” on the disclosure form.

THE COUNTY SHALL REJECT A BID AS NONRESPONSIVE IF THE BIDDER FAILS TO SUBMIT THE DISCLOSURE FORM WITH THIS INFORMATION BY THE STATED DEADLINE (see PCRB Rule 49-0360).

- (4) **Submission.** A Bidder shall submit the disclosure form required by this Rule either in its Bid submission, or within two working hours after Bid Closing in the manner specified by the ITB.
- (5) **Responsiveness.** Compliance with the disclosure and submittal requirements of this Rule is a matter of Responsiveness. Bids that are submitted by Bid Closing, but for which the disclosure submittal has not been made by the specified deadline, are not Responsive and shall not be considered for Contract Award.

- (6) **CPCA Role.** CPCA shall obtain, and make available for public inspection, the disclosure forms required by this Rule. The Department shall provide copies of disclosure forms to the Bureau of Labor and Industries. Neither the CPCA Manager nor the Department are required to determine the accuracy or completeness of the information provided on disclosure forms.
- (7) **Substitution.** Substitution of affected first-tier subcontractors shall be made only in accordance with ORS 279C.585, the Solicitation Document and the Contract. Departments shall accept Written submissions filed under that statute as public records. Aside from issues involving inadvertent clerical error under ORS 279C.585 and provisions of the Solicitation Document and Contract, the County 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.370, ORS 279C.585, ORS 279C.590 & ORS 279C.835

#### **49-0370 Disqualification of Persons**

- (1) **Authority.** The CPCA Manager may disqualify a Person from consideration of Award of the County's Contracts after providing the Person with notice and a reasonable opportunity to be heard in accordance with these Rules.
- (2) **Standards for Disqualification.** The CPCA Manager 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 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.
  - (c) Conviction under state or federal antitrust statutes.
  - (d) Violation of a contract provision that is regarded by the County to be so serious as to justify Conduct Disqualification. A violation under this subsection (2)(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) The Person does not carry workers' compensation or unemployment insurance as required by statute.
  - (f) Violation of ORS 279A.110(1).
- (3) **Notice of Intent to Disqualify.** The CPCA Manager shall notify the Person in Writing of a proposed Disqualification personally or by registered or certified mail, return receipt requested. This notice shall:
  - (a) State that the County intends to disqualify the Person;
  - (b) Set forth the reasons for the Disqualification;

- (c) Include a statement that the Person shall have a right to appeal the notice of intent to disqualify and have a hearing in accordance with Rule 49-0455 and a statement of the time within which an appeal shall be filed.
  - (d) Include a reference to the particular sections of the statutes and rules involved;
  - (e) State the proposed Disqualification period; and
  - (f) State that the Person may be represented by legal counsel at the hearing.
- (4) **Hearing.** The CPCA Manager shall schedule a hearing upon receipt of the Person's timely request. The CPCA Manager 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 hearing.
- (5) **Notice of Disqualification.** The CPCA Manager will notify the Person in Writing of its Disqualification, personally 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. For a Conduct Disqualification, the Disqualified Person shall notify the CPCA Manager in Writing within three (3) Days after receipt of the notice of Disqualification if the Person intends to appeal the decision.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 200.065, ORS 200.075, ORS 279C.440, ORS 279C.445, ORS 279C.450 & ORS 279A.110

#### 49-0380 Bid or Proposal Evaluation Criteria

- (1) **General.** A Public Improvement Contract, if Awarded, shall be Awarded to the Responsible Bidder submitting the lowest Responsive Bid, or to the Responsible Proposer submitting the best Responsive Proposal. See Rule 49-0390 and Rules 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, without additive or deductive alternates, or if the County elects not to Award additive or deductive alternates, Bids shall be compared on the basis of lump-sum prices, or lump-sum base Bid prices, as applicable. If the ITB calls for a lump-sum base Bid, plus additive or deductive alternates, the total Bid price shall be calculated by adding to or deducting from the base Bid those alternates selected by the Department, for the purpose of comparing Bids.
  - (b) **Unit Price.** If the Bid includes unit pricing for estimated quantities, the total Bid price shall be calculated by multiplying the estimated quantities by the unit prices submitted by the Bidder, and adjusting for any additive or deductive alternates selected by the Department, for the purpose of comparing Bids. The estimated quantity of the Procurement to be used for determination of the low Bidder shall be specified in the Solicitation Document. In the event of mathematical discrepancies between unit price and any extended price calculations submitted by the Bidder, the unit price shall govern. See Rule 49-0350(2)(b).

- (3) **Proposal Evaluation Criteria.** If the Board has exempted the Procurement of a Public Improvement from the Competitive Bidding requirements of ORS 279C.335(1), and has directed that an Alternative Contracting Method under ORS 279C.335(3) be used, the evaluation criteria shall be set forth in the Solicitation Documents. *See*, Rule 49-0650, ORS 279C.335 and 279C.405.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335

#### **49-0390 Offer Evaluation and Award; Determination of Responsibility**

- (1) **General.** If Awarded, the CPCA Manager shall Award the Contract to the Responsible Bidder submitting the lowest, Responsive Bid or the Responsible Proposer or Proposers submitting the best, Responsive Proposal or Proposals, provided that such Person is not listed by the Construction Contractors Board as disqualified to hold a Public Improvement Contract or is ineligible for Award as a Nonresident (as defined in ORS 279A.120) education service district. The CPCA Manager may Award by item, groups of items or the entire Offer provided such Award is consistent with the Solicitation Document and in the public interest.
- (2) **Determination of Responsibility.** Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before Awarding a Contract, the CPCA Manager shall have information that indicates that the Offeror meets the standards of responsibility. To be a Responsible Offeror, the CPCA Manager shall determine that the Offeror:
- (a) 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;
  - (b) Has a satisfactory record of contract performance. An Offeror's record of contract performance should be carefully scrutinized if the Offeror is or recently has been materially deficient in contract performance. In reviewing the Offeror's performance, the CPCA Manager should determine whether the Offeror's deficient performance was expressly excused under the terms of contract, or whether the Offeror took appropriate corrective action. The CPCA Manager may review the Offeror's performance on both private and Public Contracts in determining the Offeror's record of contract performance. The CPCA Manager shall make its basis for determining an Offeror not Responsible under this paragraph part of the Procurement File;
  - (c) Has a satisfactory record of integrity. An Offeror may lack integrity if the CPCA Manager determines the Offeror demonstrates a lack of business ethics such as violation of state environmental laws or false certifications made to a Department. The CPCA Manager 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 Rule 49-0370 may be used to determine an Offeror's integrity. The CPCA Manager shall make the basis for determining that an Offeror is not Responsible under this paragraph part of the Procurement File;
  - (d) Is qualified legally to contract with the County; and
  - (e) Has supplied all necessary information in connection with the inquiry concerning responsibility. If the Offeror fails to promptly supply information requested by the

County concerning responsibility, the CPCA Manager shall base the determination of responsibility upon any available information, or may find the Offeror not Responsible.

- (3) **Documenting Determination of Responsibility.** CPCA shall document compliance with ORS 279C.375 (3) and the above sections of this 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 after Contract Award.
- (4) **Evaluation.** The Department shall evaluate an Offer only as set forth in the Solicitation Document and in accordance with applicable law. The Department shall not evaluate an Offer using any other requirement or criterion.
- (5) **Offeror Submissions.**
  - (a) The Department 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:
    - (A) Demonstration, inspection or testing of a product prior to Award 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.
  - (b) The Department shall evaluate product acceptability only in accordance with the criteria disclosed in the Solicitation Document to determine that a product is acceptable. The CPCA Manager shall reject an Offer providing any product that does not meet the Solicitation Document requirements. Rejection of an Offer because it offers nonconforming Work or materials is not Disqualification and is not appealable under ORS 279C.445.
- (6) **Evaluation of Bids.** The Department shall use only objective criteria to evaluate Bids as set forth in the ITB. The Department shall evaluate Bids to determine which Responsible Offeror offers the lowest Responsive Bid.
  - (a) **Nonresident Bidders.** In determining the lowest Responsive Bid, the CPCA Manager shall, in accordance with Rule 46-0310, add a percentage increase to the Bid of a Nonresident Bidder equal to the percentage, if any, of the preference given to that Bidder in the state in which the Bidder resides.
  - (b) **Clarifications.** In evaluating Bids, a Department may seek information from a Bidder only to clarify the Bidder's Bid. Such clarification shall not vary, contradict or supplement the Bid. A Bidder shall submit Written and Signed clarifications and such clarifications shall become part of the Bidder's Bid.
- (7) **Evaluation of Proposals.** See Rule 49-0650 regarding Rules applicable to Requests for Proposals.

Stat. Auth.: ORS 279A.065, Oregon Laws 2005, chapter 413

Stats. Implemented: ORS 279C.335, ORS 279C.365, ORS 279C.375 & ORS 279C.395

#### **49-0395 Notice of Intent to Award**

- (1) **Notice.** At least seven (7) Days before the Award of a Public Improvement Contract, CPCA shall issue to each Offeror or post electronically or otherwise a notice of the County's intent

to Award the Contract. This requirement does not apply to informal competitive quotes or emergency Public Improvement Contracts.

- (2) **Finalizing Award.** The Award shall not be final until the later of the following: Seven (7) Days after the date of the notice, unless the Solicitation Document provided a different period for protest; or a after providing a Written response to all timely-filed protests that denies the protest and affirms the Award.
- (3) **Prior Notice Impractical.** Posting of notice of intent to Award shall not be required when the CPCA Manager determines that it is impractical due to unusual time constraints in making prompt Award for the immediate procurement needs, documents the Procurement File as to the reasons for that determination, and posts notice of that action as soon as reasonably practical.

Stat. Auth.: ORS 279A.065

Stat. Implemented: ORS 279C.375

#### **49-0400 Documentation of Award; Availability of Award Decisions**

- (1) **Basis of Award.** After Award, the CPCA Manager shall make a record showing the basis for determining the successful Offeror part of the Procurement File.
- (2) **Contents of Award Record for Bids.** The record shall include:
  - (a) All submitted Bids;
  - (b) Completed 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 Rule 49-0650, the record 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; and
  - (d) If the Solicitation Document permitted Negotiations in accordance with Rule 49-0650, the Department's completed evaluation of the initial Proposals and the Department's completed evaluation of final Proposals.
- (4) **Contract Document.** The Department 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 CPCA shall provide Bid tabulations or evaluation summaries of Proposals for a nominal charge to be determined by the CPCA Manager. Requests shall contain the Solicitation Document number and, if requested, be accompanied by a self-addressed, stamped envelope. CPCA may also provide tabulations of Bids and Proposals Awarded on the CPCA Website.
- (6) **Availability of Procurement Files.** CPCA shall make completed Procurement Files available for public review at the CPCA office.
- (7) **Copies from Procurement Files.** Any Person may obtain copies of material from Procurement Files upon payment of a reasonable charge.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 & ORS 279C.375

#### **49-0410 Time for Department Acceptance; Extension**

- (1) **Time for Offer Acceptance.** An Offeror's Bid, or Proposal submitted as a Firm Offer, is irrevocable, valid and binding on the Offeror for not less than 30 Days from Closing unless otherwise specified in the Solicitation Document.
- (2) **Extension of Acceptance Time.** CPCA may request, orally or in Writing, that Offerors extend, in Writing, the time during which the County may consider and accept their Offer(s). If an Offeror agrees to such extension, the Offer shall continue as a Firm Offer, irrevocable, valid and binding on the Offeror for the agreed-upon extension period.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375

#### **49-0420 Negotiation With Bidders Prohibited**

- (1) **Bids.** Except as permitted by Rule 49-0430, a Department shall not negotiate with any Bidder prior to Contract Award. After Award of the Contract, the Department and Contractor may modify the resulting Contract only by change order or amendment to the Contract in accordance with Rule 49-0910.
- (2) **Requests for Proposals.** A Department may conduct Discussions or Negotiations with Proposers only in accordance with the requirements of Rule 49-0650.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.340 & ORS 279C.375

#### **49-0430 Negotiation When Bids Exceed Cost Estimate**

- (1) **Generally.** If all Responsive Bids from Responsible Bidders on a competitively Bid Project exceed the Department's Cost Estimate, prior to Contract Award the Department may negotiate Value Engineering and Other Options with the Responsible Bidder submitting the lowest, Responsive Bid in an attempt to bring the Project within the Department's Cost Estimate. The subcontractor disclosure and substitution requirements of Rule 49-0360 do not apply to Negotiations under this Rule.
- (2) **Definitions.** The following definitions apply to this Rule:
  - (a) **Cost Estimate.** The Department's most recent pre-Bid, good faith assessment of anticipated Contract costs, consisting either of an estimate of an architect, engineer or other qualified professional, or confidential cost calculation Worksheets, where available, and otherwise consisting of formal planning or budgetary documents.
  - (b) **Other Options.** Those items generally considered appropriate for negotiation in the RFP process, relating to the details of Contract performance as specified in Rule 49-0650, but excluding any material requirements previously announced in the Solicitation process that would likely affect the field of competition.
  - (c) **Project.** A Public Improvement.
  - (d) **Value Engineering.** 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, or other Contract requirements which may

be made, consistent with industry practice, under the 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 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 exceed the Cost Estimate, only those Bids that have been formally rejected, or Bids from Bidders who have been formally disqualified by the County, shall be excluded from consideration.
- (4) **Scope of Negotiations.** The CPCA Manager shall not proceed with Contract Award if the scope of the Project is significantly changed from the original 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 would have been expected by the Department to participate in the Bidding process had the change been made during the Solicitation process rather than during negotiation. This Rule shall not be construed to prohibit resolicitation of trade subcontracts.
- (5) **Discontinuing Negotiations.** The Department may discontinue Negotiations at any time, and shall do so if it appears to the Department that the apparent low Bidder is not negotiating in good faith or fails to share cost and pricing information upon request. Failure to rebid any portion of the project, or to obtain subcontractor pricing information upon request, shall be considered a lack of good faith.
- (6) **Limitation.** Negotiations may be undertaken only with the lowest Responsive, Responsible Bidder.
- (7) **Public Records.** To the extent that a Bidder's records used in Contract Negotiations are public records, they are exempt from disclosure until after the negotiated Contract has been 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 to 192.505.

Stat. Auth.: ORS 279C.340 & ORS 279A.065

Stats. Implemented: ORS 279C.340

#### **49-0440 Rejection of Offers**

##### **(1) Rejection of an Offer.**

- (a) The CPCA Manager shall reject any Offer upon finding that to accept the Offer may impair the integrity of the Procurement process or that rejecting the Offer is in the public interest.
- (b) The CPCA Manager shall reject an Offer upon a finding that the Offer:
  - (A) Is contingent upon acceptance of terms and conditions (including Specifications) that differ from the Solicitation Document;
  - (B) Takes exception to terms and conditions (including Specifications);
  - (C) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of Solicitation Document or in contravention of applicable law;
  - (D) Offers Work that fails to meet the Specifications of the Solicitation Document;
  - (E) Is late;

- (F) Is not in substantial compliance with the Solicitation Documents;
  - (G) Is not in substantial compliance with all prescribed public Solicitation procedures.
- (c) The CPCA Manager shall reject an Offer upon a finding that the Offeror:
- (A) Has not been prequalified and the Solicitation Document required mandatory prequalification;
  - (B) Has been Disqualified;
  - (C) Has been declared ineligible under ORS 279C.860 by the Commissioner of Bureau of Labor and Industries and the Contract is for a Public Work;
  - (D) Is listed as not qualified by the Construction Contractors Board, if the Contract is for a Public Improvement;
  - (E) Has not met the requirements of ORS 279A.105 if required by the Solicitation Document;
  - (F) Has not submitted properly executed Bid or Proposal security as required by the Solicitation Document;
  - (G) Has failed to provide the certification required under subsection (3) of this Rule;
  - (H) Is not Responsible. See Rule 49-0390(2) regarding determination that the Offeror has met statutory standards of responsibility.
- (2) **Form of Business.** For purposes of this Rule, CPCA 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 or to apply the Disqualification provisions of ORS 279C.440 to 279C.450 and Rule 49-0370.
- (3) **Certification of Non-Discrimination.** An Offeror shall certify and deliver to the CPCA Manager Written certification, as part of the Offer that the Offeror has not discriminated and will not discriminate against minority, women or emerging business enterprises in obtaining any required subcontracts. Failure to do so shall be grounds for disqualification.
- (4) **Rejection of all Offers.** The CPCA Manager may reject all Offers for good cause upon a Written finding it is in the public interest to do so. If CPCA determines it is in the public interest to reject all offers Written notice shall be given to all Offerors.
- (5) **Criteria for Rejection of All Offers.** The CPCA Manager may reject all Offers upon a Written finding that:
- (a) The content of or an error in the Solicitation Document, or the 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;
  - (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 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) CPCA cancels the Solicitation in accordance with Rule 49-0270; or

- (f) Any other circumstance indicating that Awarding the Contract would not be in the public interest.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375, ORS 279C.380, ORS 279C.395, ORS 279A.105 & ORS 279A.110

#### **49-0450 Protest of Contractor Selection, Contract Award**

- (1) **Purpose.** An adversely affected or aggrieved Offeror shall exhaust all avenues of administrative review and relief before seeking judicial review of the Contractor selection or Contract Award decision.
- (2) **Notice of Competitive Range.** Unless otherwise provided in the RFP, when the competitive Proposal process is authorized under Rule 49-0650, the CPCA Manager shall provide Written notice to all Proposers of the determination of the Proposers included in the Competitive Range. The notice of the Proposers included in the Competitive Range shall not be final until the later of the following:
  - (a) 10 Days after the date of the notice, unless otherwise provided therein; or
  - (b) Until the CPCA Manager provides a Written response to all timely-filed protests that denies the protest and affirms the notice of the Proposers included in the Competitive Range.
- (3) **Notice of Intent to Award.** The CPCA Manager shall provide Written notice to all Offerors of the intent to Award the Contract as provided in Rule 49-0395.
- (4) **Right to Protest Award.**
  - (a) An adversely affected or aggrieved Offeror may submit to the CPCA Manager a Written protest of the intent to Award within seven (7) Days after issuance of the notice of intent to Award the Contract, unless a different protest period is provided under the Solicitation Document.
  - (b) The Offeror's protest shall be in Writing and shall specify the grounds upon which the protest is based.
  - (c) An Offeror is adversely affected or aggrieved only if the Offeror is eligible for Award of the Contract as the Responsible Bidder submitting the lowest Responsive Bid or the Responsible Proposer submitting the best Responsive Proposal and is next in line for Award, i.e., the protesting Offeror shall claim that all lower Bidders or higher-scored Proposers are ineligible for Award:
    - (A) Because their Offers were nonresponsive; or
    - (B) In making the Award, there was a substantial violation of a provision in the Solicitation Document or of an applicable Procurement statute or administrative rule, and the protesting Offeror was unfairly evaluated and would have, but for such substantial violation, been the Responsible Bidder offering the lowest Bid or the Responsible Proposer offering the highest-ranked Proposal.
  - (d) The CPCA Manager shall not consider a protest submitted after the time period established in this Rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest a decision not to increase the size of the Competitive Range above the size of the Competitive Range set forth in the RFP.
- (5) **Right to Protest Competitive Range.**

- (a) An adversely affected or aggrieved Proposer may submit to the CPCA Manager a Written protest of the decision to exclude the Proposer from the Competitive Range within seven (7) Days after issuance of the notice of the Competitive Range, unless a different protest period is provided under the Solicitation Document. (See procedural requirements for the use of RFPs at Rule 49-0650.)
- (b) The Proposer's protest shall be in Writing and shall specify the grounds upon which the protest is based.
- (c) A Proposer is adversely affected only if the Proposer is responsible and submitted a Responsive Proposal and is eligible for inclusion in the Competitive Range, i.e., the protesting Proposer shall claim it is eligible for inclusion in the Competitive Range if all ineligible higher-scoring Proposers are removed from consideration, and that those ineligible Proposers are ineligible for inclusion in the Competitive Range because:
  - (A) Their Proposals were not responsive; or
  - (B) In excluding the Proposer from the Competitive Range, there was a substantial violation of a provision of the RFP, the Public Contracting Code or these Rules, and would have, but for such substantial violation, been included in the Competitive Range.
- (d) The CPCA Manager shall not consider a protest submitted after the time period established in this Rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest a decision not to increase the size of the Competitive Range above the size of the Competitive Range set forth in the RFP.
- (6) **Authority to Resolve Protests.** The CPCA Manager may settle or resolve a Written protest submitted in accordance with the requirements of this Rule.
- (7) **Decision.** If a protest is not settled or resolved, the CPCA Manager shall promptly issue a Written decision on the protest.
- (8) **Award.** The successful Offeror shall promptly execute the Contract after the Award is final. The County shall execute the Contract only after all required documents and approvals have been obtained.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375, ORS 279C.380, ORS 279C.385 & ORS 279C.460

#### **49-0460 Performance and Payment Security; Waiver**

- (1) **Public Improvement Contracts.** Unless the required performance bond and payment bond are waived under subsection (5) of this rule, excused in cases of Emergency under Rule 49-0150 (2), or unless the Board exempts a Contract or classes of contracts from the required performance bond and payment bond pursuant to ORS 279C.390, the Contractor shall execute and deliver to the Department a performance bond and a payment bond each in a sum equal to the Contract Price for all Public Improvement Contracts. The requirement for the BOLI Public Works payment bond under ORS 279C.830 may only be waived as provided in ORS 279C.836 (4), (7) and (8)..
- (2) **Other Construction Contracts.** A Department may require performance security for other construction Contracts that are not Public Improvement Contracts. Such requirements shall be expressly set forth in the Solicitation Document.

- (3) **Requirement for Surety Bond.** If a performance bond is required, the Department shall accept only a performance bond furnished by a surety company authorized to do business in Oregon. The Department 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 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 shall promptly furnish the required performance and payment security upon the Department's request. If the Offeror fails to furnish the all security bonds as requested, the County may reject the Offer and Award the Contract to the Responsible Bidder with the next lowest Responsive Bid or the Responsible Proposer with the next highest-scoring Responsive Proposal, and, at the County's discretion, the Offeror shall forfeit its Bid or Proposal security.
- (5) **Public Improvement Contracts \$75,000 or Less.** Departments may waive Bid or Proposal security and performance bond and payment bond requirements if the amount of the Contract for the Public Improvement is \$75,000 or less or in the case of highways, bridges or other transportation projects, \$50,000 or less.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375, ORS 279C.380 & ORS 279C.390

#### **49-0470 Substitute Contractor**

If the Contractor provided a performance bond, the Department may afford the Contractor's surety the opportunity to provide a substitute contractor to complete performance of the Contract. A substitute 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 of a new Contract and shall not be subject to the competitive Procurement provisions of ORS Chapter 279C.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.370, ORS 279C.375, ORS 279C.380 & 279C.390

#### **49-0490 Foreign Contractor**

If the Contract Price exceeds \$10,000 and the Contractor is a Foreign Contractor, the Contractor 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 shall be forwarded to the County. The Department shall satisfy itself that the above requirements have been complied with before it authorizes issuance of final payment on the Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.120

### **ALTERNATIVE CONTRACTING METHODS**

#### **49-0600 Purpose**

Rules 49-0600 to 49-0690 are intended to provide guidance regarding the use of Alternative Contracting Methods for Public Improvement Contracts, as may be directed by the Board under ORS 279C.335. Those methods include, but are not limited to, Design-Build, Energy Savings Performance Contract (ESPC) and Construction Manager/General Contractor (CM/GC) forms of contracting. As to ESPC

contracting, Rules 49-0600 to 49-0690 implement the requirements of ORS 279C.335 pertaining to the adoption of Rules governing the procedures for entering into ESPCs.

Stat. Auth.: ORS 279C.335, 279A.065 & 351.086

Stats. Implemented: ORS 279C.335, 279A.065 & 351.086

#### **49-0610 Definitions for Alternative Contracting Methods**

The following definitions shall apply to Rules 49-0600 to 49-0690, unless the context requires otherwise:

- (1) **Alternative Contracting Methods** means innovative Procurement techniques for obtaining Public Improvement Contracts, utilizing processes other than the traditional method of Design-Bid-Build (with Award based solely on price, in which a final design is issued with formal Bid documents, construction Work is obtained by sealed Bid Awarded to the lowest Responsive, Responsible Bidder, and the project is built in accordance with those 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 Rules 49-0600 to 49-0690, as well as other developing techniques such as general "performance contracting" and "cost plus time" contracting, for which procedural requirements are identified under Rules 49-0600 to 49-0690.
- (2) **Construction Manager/General Contractor (or "CM/GC")** means a form of Procurement that results in a Public Improvement Contract for a Construction Manager/General Contractor to undertake project team involvement with design development; constructability reviews; value engineering, scheduling, estimating and subcontracting services; establish a Guaranteed Maximum Price to complete the Contract Work; act as General Contractor; hold all subcontracts, self-perform portions of the Work as may be allowed by the County under the CM/GC Contract; coordinate and manage the building process; provide general Contractor expertise; and act as a member of the project team along with the Department, architects, engineers and other consultants. CM/GC also refers to a Contractor under this form of Contract, sometimes known as the "Construction Manager at Risk."
- (3) **Design-Build** means a form of Procurement that results in a Public Improvement Contract in which the construction Contractor also provides or obtains specified design services, participates on the project team with the Department, and manages both design and construction. In this form of Contract, a single Person provides the Department with all of the services necessary to both design and construct the project.
- (4) **Energy Conservation Measures (or "ECMs") (also known as "energy efficiency measures")** means, as used in ESPC 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 costs and materials costs associated with maintenance of the building or structure. For purposes of these Rules 49-0600 to 49-0690, use of either or both of the terms "building" or "structure" 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, either as part of the project together with the building or structure, or when such system(s) are the focus of the project. Maintenance services are not Energy Conservation Measures, for purposes of Rules 49-0600 to 49-0690.
- (5) **Energy Savings Guarantee** means the energy savings and performance guarantee provided by the ESCO under an ESPC Procurement, which guarantees to the County that certain energy savings and performance will be achieved for the project covered by the RFP, through the

installation and implementation of the agreed-upon ECMs for the project. The Energy Savings Guarantee shall include, but 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 County 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 County after final completion of the design and construction phase), and the term of the energy savings and performance guarantee.

- (6) **Energy Savings Performance Contract (or "ESPC")** means a Public Improvement Contract between the County and a Qualified Energy 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.
- (7) **Guaranteed Maximum Price (or "GMP")** means the total maximum price provided to the County by the Contractor, and accepted by the County, that includes all reimbursable costs of and fees for completion of the Contract Work, as defined by the Public Improvement Contract, except for material changes in the scope of Work. It may also include particularly identified contingency amounts.
- (8) **Measurement and Verification (or "M & V")** means, as used in ESPC 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.
- (9) **Project Development Plan** means a secondary phase of Personal Services and Work performed by an ESCO in an ESPC Procurement when the ESCO performs more extensive design of the agreed-upon ECMs for the 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 Work during this secondary phase of the Work and otherwise explaining how the agreed-upon ECMs will be implemented during the design and construction phase of the Work; The term "Project Development Plan" can also refer to the report or plan provided by the ESCO at the conclusion of this phase of the Work.
- (10) **Qualified Energy Service Company (or "ESCO")** means, as used in ESPC 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 under consideration by the Department; and the financial strength to effectively guarantee energy savings and performance under the ESPC for the project in question, or the ability to secure necessary financial measures to effectively guarantee energy savings under an ESPC for that project.
- (11) **Technical Energy Audit** means, as used in ESPC Procurement, the initial phase of Personal 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 Department of the ESCO's findings during this initial phase of the 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335 & ORS 279A.065

#### **49-0620 Use of Alternative Contracting Methods**

- (1) **Competitive Bidding Exemptions.** ORS Chapter 279C requires a Competitive Bidding process for Public Improvement Contracts unless a statutory exception applies, a class of Contracts has been exempted or an individual Contract has been exempted in accordance with ORS 279C.335 and any applicable PCR Rules. Use of Alternative Contracting Methods may be directed by the Board as an exception to the prescribed public contracting practices in Oregon, and their use shall be justified in accordance with the Code and Rules 49-0600 to 49-0690. See Rule 49-0630 regarding required findings and restrictions on class Exemptions.
- (2) **Energy Savings Performance Contracts.** Unlike other Alternative Contracting Methods covered by Rules 49-0600 to 49-0690, ESPCs are exempt from the Competitive Bidding process for Public Improvement Contracts pursuant to ORS 279C.335(1)(f), upon compliance with the procedures set forth in Rule 49-0600 to 49-0690 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 exemption requirements in Rules 49-0620 (1) and 49-0630.
- (3) **Post-Project Evaluation.** ORS 279C.355 requires that the County prepare a formal post-project evaluation of Public Improvement projects in excess of \$100,000 for which the Competitive Bidding process was not used. The purpose of this evaluation is to determine whether it was actually in the County's best interest to use an Alternative Contracting Method. For each such project, the Department shall prepare and deliver the evaluation required by ORS 279C.335 to the Board within 30 Days of the date the Department "accepts" the Public Improvement project, as defined in the Contract. In the absence of such definition, acceptance of the Project occurs on the later of the date of final payment or the date of final completion of the Work. ORS 279C.355 describes the timing and content of this evaluation, with three required elements:
  - (a) Financial information, consisting of cost estimates, any Guaranteed Maximum Price, 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.

Stat. Auth.: ORS 279C.335 & 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.355 & ORS 351.086

#### **49-0630 Findings, Notice and Hearing**

- (1) **Cost Savings Factors.** When findings are required under ORS 279C.335 to exempt a Contract or class of Contracts from Competitive Bidding requirements, the "substantial cost savings" criterion at ORS 279C.335(2)(b) allows consideration of the type, cost, amount of the Contract, number of Entities available to Bid, and "such other factors as may be deemed appropriate", and, if the Public Improvement relates to the operation, maintenance or construction of highways, bridges and other transportation facilities, that the exemption will result in substantial cost savings to the County or to the public.

- (2) **Required Information.** Likewise, the statutory definition of “findings” at ORS 279C.330 means the justification for a Board conclusion that includes, “but is not limited to,” information regarding eight identified areas: Operational, budget and financial data, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources.
- (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” requirement may be addressed by a combination of:
  - (a) Specified findings that address the factors and other information specifically identified by statute, including an analysis or reasonable forecast of future cost savings as well as present cost savings; and
  - (b) Additional 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 shall relate back to the specific characteristics of the project or projects at issue in the Exemption request.
- (4) **Favoritism and Competition.** The criteria at ORS 279C.335(2)(a) that it is “unlikely” that the Exemption will “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 will be formally advertised with public notice and disclosure of the planned Alternative Contracting Method, competition will be encouraged, Award made based upon identified selection criteria and an opportunity to protest the Award.
- (5) **Description.** Findings supporting a competitive bidding exemption shall describe with specificity the Alternative contracting Method to be used in lieu of competitive bidding, including, but not limited to, whether a one step (Request for Proposals) or two step (beginning with Requests for Qualifications) solicitation process will be utilized. The Findings may also describe anticipated characteristics or features of the resulting Public Improvement Contract. However, such description in the findings shall not be binding upon the County. The parameters of the Public Improvement Contract shall be those set forth in the Solicitation Document.
- (6) **Class Exemptions.** In making the findings supporting a class Exemption the Department shall clearly identify defining characteristics of the class. Those characteristics shall include some combination of Project descriptions or locations, time periods, contract values or method of Procurement or other factors that distinguish the limited and related class of Projects from the Department’s overall construction program. Classes shall not be defined solely by funding sources, such as a particular bond fund, or by method of Procurement, but shall be defined by characteristics that reasonably relate to the Exemption criteria set forth in ORS 279C.335(2).
- (7) **Public Hearing.** Before final adoption of findings exempting a Public Improvement Contract or class of Contracts from the requirement of Competitive Bidding, notice shall be given and a public hearing held by the Board as follows:
  - (a) Notification of the public hearing shall be published in at least one trade newspaper of general statewide circulation a minimum of fourteen (14) Days before the hearing.
  - (b) The notice shall state that the public hearing is for the purpose of taking comments on the County’s draft findings for an Exemption from the Competitive Bidding requirement. The notice shall state that at the hearing, after an opportunity for receipt of comments, the

Board will consider adoption of the draft findings and approval of the proposed alternative contracting method. At the time of the notice, copies of the draft findings shall be made available to the public.

- (c) At the public hearing, the Board shall offer an opportunity for any interested party to appear and present comment before considering and adopting the findings.
- (d) If the County is required to act promptly due to circumstances beyond the County's control that do not constitute an Emergency, notification of the public hearing may be published simultaneously with the County's Solicitation of contractors for the alternative public contracting method, as long as responses to the Solicitation are due at least five (5) Days after the hearing and approval of the findings.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335 & ORS 279A.065

#### **49-0640 Competitive Proposals; Procedure**

Departments may utilize the following RFP process for Public Improvement Contracts, allowing flexibility in both Proposal evaluation and Contract negotiation, only in accordance with ORS Rules 49-0600 to 49-0690, unless other applicable statutes control the use of competitive Proposals for Public Improvement Contracts. Also see the subdivision of Rules in this division entitled Formal Procurement Rules, Rules 49-0200 to 49-0480, and RFP related Rules under the Alternative Contracting Methods subdivision at Rules 49-0640 to 49-0660. For ESPCs, the following RFP process shall be utilized if a Department desires the Procurement process to be exempt from the Competitive Bidding requirements of ORS 279C.335. The RFP process for the Alternative Contracting Methods identified in Rules 49-0600 to 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. For ESPC Proposal evaluations, the RFP may provide that qualifications-based evaluation factors will outweigh consideration of price-related factors, due to the fact that prices for the major components of the Work to be performed during the ESPC process contemplated by the RFP will likely not be determinable at the time of Proposal evaluation. Proposal evaluation 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 shall:
  - (a) Be reasonable estimates based on information available to the Department;
  - (b) Treat all Proposals equitably; and
  - (c) Recognize that public policy requires that Public Improvements be constructed at the least overall cost to the County. See ORS 279C.305.
- (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 affect cost or quality.
  - (b) In CM/GC contracting, in addition to (a) above, those factors may also include the ability to respond to the technical complexity or unique character of the project, analyze and propose solutions or approaches to complex project problems, coordination of multiple

disciplines, the time required to commence and complete the improvement, and related matters that affect cost or quality.

- (c) In Design-Build contracting, in addition to (a) and (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 affect cost or quality.
  - (d) In ESPC contracting, in addition to the factors set forth in 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 venturers 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, information on the specific methods, techniques and equipment that the ESCO will use in the performance of the Work under the ESPC, the ESCO's team members and consultants to be assigned to the 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 sub-contractor 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 between the County 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 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 and the ESCO's fee structure for all phases of the ESPC.
- (3) **Contract Negotiations.** Contract terms may be negotiated to the extent allowed by the RFP and Rules 49-0600 to 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 Rule 49-0650. Terms that may be negotiated consist of details of Contract performance, methods of construction, timing, assignment of risk in specified areas, fee, and other matters that affect cost or quality. 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, the scope of services to be performed by the ESCO during the Project Development Plan phase of the Work, the detailed provisions of the Energy Savings Guarantee to be provided by the ESCO and scope of Work, methodologies and compensation terms and conditions during the design and construction phase and M & V phase of the Work, consistent with the requirements of Rule 49-0680 below.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065 & ORS 351.086

#### **49-0645 Requests for Qualifications (RFQ)**

- (1) Generally. The County may utilize Requests for Qualifications (RFQs) to obtain information useful in the preparation or distribution of a Request for Proposals (RFPs). When using RFQs as the first step in a two step solicitation process, in which distribution of the RFPs will be limited to the firms qualified under the RFQ process. The County shall first advertise and provide notice of the RFQ in the same manner as required in Rule 49-0210. The RFQ shall provide that RFPs will be distributed only to the firms qualified in the RFQ process. The RFQ shall also provide for a protest provision substantially the same as that described in Rule 49-0450 (5) regarding protest of the competitive range. After the RFQ process is completed the County may distribute the RFP to those firms without further advertisement of the solicitation.

#### **49-0650 Requests for Proposals (RFP)**

- (1) **Generally.** When authorized or required by an Exemption granted under Rules 49-0620 and 49-0630, the County may Award a Public Improvement Contract by competitive Proposals. A contract awarded under this section may be amended only in accordance with Rule 49-0910. CPCA 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 or distribution of a Request for Proposals.
- (2) Competitive Proposals shall be subject to the following requirements of Competitive Bidding:
  - (a) Advertisement under Rule 49-0210;
  - (b) Requirements for Solicitation Documents under Rule 49-0200;
  - (c) Disqualification due to a Construction Contractors Board listing under Rule 49-0370;
  - (d) Contract execution and bonding requirements under Rules 49-0390 and 49-0460;
  - (e) Determination of responsibility under Rule 49-0390;
  - (f) Rejection of bids under Rule 49-0440; and
  - (g) Disqualification and prequalification under Rules 49-0370 and 49-0220.
- (3) For the purposes of applying the requirements listed in subsection (2) of this section to competitive Proposals, when used in the sections listed in subsection (2) of this section, "bids" includes Proposals, and "bid documents" and "Invitation to Bid" include requests for Proposals.
- (4) Competitive Proposals are not subject to the following requirements of Competitive Bidding:
  - (a) First-tier subcontractor disclosure under Rule 49-0360; and
  - (b) Reciprocal preference under Rule 46-0310.
- (5) When Award of a Public Improvement Contract advertised by the issuance of a Request for Proposals may be made without negotiation, the Department may require Proposal security that serves the same function with respect to Proposals as bid security serves with respect to bids as follows:
  - (a) Proposal security may be required in a form and amount as may be determined to be reasonably necessary or prudent to protect the interests of the County.
  - (b) Proposal security shall be retained if a Proposer who is awarded a Contract fails to promptly and properly execute the Contract and provide any required bonds or insurance.

- (c) Proposal security shall be returned to all Proposers upon the execution of the Contract, or earlier in the selection process.
- (6) **Receipt of Proposals; evaluation and Award.** Notwithstanding the public records law, ORS 192.410 to 192.505:
  - (a) Proposals may be opened so as to avoid disclosure of contents to competing Proposers during, when applicable, the process of negotiation.
  - (b) Proposals are not required to be open for public inspection until after the notice of intent to Award a Contract is issued.
- (7) For each Request for Proposals, the Department shall prepare a list of Proposals submitted.
- (8) Notwithstanding any requirement to make Proposals open to public inspection after issuance of the notice of intent to Award a Contract, the County may withhold from disclosure to the public trade secrets, as defined in ORS 192.501, and information submitted to a public body in confidence, as described in ORS 192.502, that are contained in a Proposal. If a Request for Proposals is canceled after Proposals are received, the County may return a Proposal to the Proposer that made the Proposal. CPCA shall keep a list of returned Proposals in the file for the solicitation.
- (9) The cancellation of requests for Proposals and the rejection of Proposals shall be in accordance with Rule 49-0440.
- (10) At least seven (7) Days before the Award of the Contract, unless there is a determination is made that seven (7) Days is impractical, CPCA shall issue to each Proposer or post, electronically or otherwise, a notice of intent to Award.
- (11) If a Public Contract is awarded, CPCA shall Award a Public Contract to the Responsible Proposer whose Proposal is determined in Writing to be the most Advantageous to the County based on the evaluation factors set forth in the Request for Proposals and, when applicable, the outcome of any Negotiations authorized by the Request for Proposals. Other factors may not be used in the evaluation.
- (12) **Solicitation Documents.** In addition to the Solicitation Document requirements of Rule 49-0200, this Rule applies to the requirements for Requests for Proposals. RFP Solicitation Documents shall conform to the following standards:
  - (a) Selection criteria shall be set forth 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 Rule 49-0640. Evaluation factors need not be precise predictors of actual future costs and performance, but to the extent possible, such factors shall be reasonable estimates based on information available to the Department;
  - (b) When the Department is willing to negotiate terms and conditions of the Contract or allow submission of revised Proposals following Discussions, the Department 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 Department has identified as authorized for negotiation. The Department shall describe the evaluation and Discussion or negotiation process, including how the Department will establish the Competitive Range;

- (c) When the Department intends to Award Contracts to more than one (1) Proposer, the Department shall identify in the Solicitation Document the manner in which it will determine the number of Contracts it will Award. The Department shall also include the criteria it will use to determine how the Department will endeavor to achieve optimal value, utility and substantial fairness when selecting a particular Contractor to provide Goods or services from those Contractors Awarded Contracts.

**(13) Evaluation of Proposals.**

- (a) **Evaluation.** Proposals shall be evaluated only in accordance with criteria set forth in the RFP and applicable law to determine the Responsible Proposer or Proposers submitting the best Responsive Proposal or Proposals.
  - (A) Clarifications. In evaluating Proposals, information may be requested from a Proposer to clarify the Proposer's Proposal. A Proposer shall submit Written and Signed clarifications and such clarifications shall become part of the Proposer's Proposal.
  - (B) Limited Negotiation. If the Department did not permit negotiation in its Request for Proposals, the Department may, nonetheless, negotiate with the highest-ranked Proposer, but may then only negotiate the:
    - (i) Statement of Work; and
    - (ii) Contract Price as it is affected by negotiating the statement of Work.
    - (iii) The process for Discussions or Negotiations that is outlined and explained in this Rule does not apply to this limited negotiation.
- (b) **Discussions; Negotiations.** If the Department permitted Discussions or Negotiations in the Request for Proposals, the Department shall establish the Competitive Range, and may then conduct Discussions and Negotiations in accordance with this Rule.
  - (A) If the Solicitation Document provided that Discussions or Negotiations may occur at Department's discretion, the Department may forego Discussions and Negotiations and evaluate all Proposals in accordance with this Rule.
  - (B) If the Department proceeds with Discussions or Negotiations, the Department shall establish a negotiation team tailored for the acquisition. The Department's team may include legal, technical and negotiating personnel.
- (c) **Cancellation.** Nothing in this Rule shall restrict or prohibit the County from canceling the Solicitation at any time.

**(14) Competitive Range; Protest; Award.**

- (a) **Determining Competitive Range.**
  - (A) After the Opening the Proposals shall be evaluated in accordance with the evaluation criteria set forth in the Request for Proposals. After evaluation of the Proposals, the Department will determine and rank the Proposers in the Competitive Range.
  - (B) The Department may increase the number of Proposers in the Competitive Range if the evaluation of Proposals establishes a natural break in the scores of Proposers indicating a number of Proposers greater than the initial Competitive Range are closely competitive, or have a reasonable chance of being determined the best

Proposer after the evaluation of revised Proposals submitted in accordance with the process described in this Rule.

- (b) **Protesting Competitive Range.** CPCA shall provide Written notice to all Proposers identifying Proposers in the Competitive Range. A Proposer that is not within the Competitive Range may protest the evaluation and determination of the Competitive Range in accordance with Rule 49-0450.
  - (c) **Intent to Award; Discuss or Negotiate.** After the protest period provided in these Rules expires, or after a final response to any protest has been provided, whichever date is later, CPCA may either:
    - (A) Provide Written notice to all Proposers in the Competitive Range of the County's intent to Award the Contract to the highest-ranked Proposer in the Competitive Range.
      - (i) An unsuccessful Proposer may protest the notice of intent to Award in accordance with Rule 49-0450.
      - (ii) After the protest period provided in accordance with Rule 49-0450 expires, or after a final response to any protest has been provided, whichever date is later, the Department shall commence final Contract Negotiations with the highest-ranked Proposer in the Competitive Range; or
    - (B) Engage in Discussions with Proposers in the 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 Range.
- (15) **Discussions; Revised Proposals.** If the Department chooses to enter into Discussions with and receive revised Proposals from the Proposers in the Competitive Range, the Department shall proceed as follows:
- (a) **Initiating Discussions.** The Department shall initiate oral or Written Discussions with all of the Proposers in the Competitive Range regarding their Proposals with respect to the provisions of the RFP that the Department identified in the RFP as the subject of Discussions. The Department 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 Department would like additional information; and
    - (C) Otherwise allowing Proposers to develop revised Proposals that will allow the Department to obtain the best Proposal based on the requirements and evaluation criteria set forth in the Request for Proposals.
  - (b) **Conducting Discussions.** The Department may conduct Discussions with each Proposer in the Competitive Range necessary to fulfill the purposes of this section, but need not conduct the same amount of Discussions with each Proposer. The Department may terminate Discussions with any Proposer in the Competitive Range at any time. However, the Department shall offer all Proposers in the Competitive Range the opportunity to discuss their Proposals with Department before the Department notifies Proposers of the date and time pursuant to this section that revised Proposals will be due.
    - (A) In conducting Discussions, the Department:
      - (i) Shall treat all Proposers fairly and shall not favor any Proposer over another;

- (ii) Shall not discuss other Proposers' Proposals;
    - (iii) Shall not suggest specific revisions that a Proposer should make to its Proposal, and shall not otherwise direct the Proposer to make any specific revisions to its Proposal.
  - (B) At any time during the time allowed for Discussions, the Department may:
    - (i) Continue Discussions with a particular Proposer;
    - (ii) Terminate Discussions with a particular Proposer and continue Discussions with other Proposers in the Competitive Range; or
    - (iii) Conclude Discussions with all remaining Proposers in the Competitive Range and provide notice to the Proposers in the Competitive Range to submit revised Proposals.
  - (c) **Revised Proposals.** At the conclusion of the Department's Discussions with all remaining Proposers in the Competitive Range, the Department shall give all remaining Proposers in the Competitive Range notice of the date, place and time by which they shall submit revised Proposals. This notice shall constitute the Department's termination of Discussions, and Proposers shall submit revised Proposals by the date and time set forth in the Department's notice without further Discussions with the Department.
    - (A) Upon receipt of the revised Proposals, the revised Proposals shall be evaluated based upon the evaluation criteria set forth in the Request for Proposals, and ranked based on the scoring.
    - (B) The Department may conduct Discussions with and accept only one (1) revised Proposal from each Proposer in the Competitive Range unless otherwise set forth in the Request for Proposals.
  - (d) **Intent to Award; Protest.** CPCA shall provide Written notice to all Proposers in the Competitive Range of the intent to Award the Contract. An unsuccessful Proposer may protest the intent to Award in accordance with Rule 49-0450. After the protest period provided in accordance with that rule expires, or after the final response to any protest has been provided, whichever date is later, the Department shall commence final Contract Negotiations.
- (16) **Negotiations.**
- (a) **Initiating Negotiations.** The Department may determine to commence Negotiations with the highest-ranked Proposer in the Competitive Range following the:
    - (A) Initial determination of the Competitive Range; or
    - (B) Conclusion of Discussions with all Proposers in the Competitive Range and evaluation of revised Proposals.
  - (b) **Conducting Negotiations.**
    - (A) **Scope.** The Department may negotiate:
      - (i) The statement of Work;
      - (ii) The Contract Price as it is affected by negotiating the statement of Work; and
      - (iii) Any other terms and conditions reasonably related to those expressly authorized for negotiation in the Request for Proposals. Accordingly, Proposers shall not submit, and Department shall not accept, for negotiation any alternative terms

and conditions that are not reasonably related to those expressly authorized for negotiation in the Request for Proposals.

- (c) **Terminating Negotiations.** At any time during Discussions or Negotiations that the Department conducts in accordance with this Rule, the Department may terminate Discussions or Negotiations with the highest-ranked Proposer, or the Proposer with whom it is currently discussing or negotiating, if the Department 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.
- (d) **Continuing Negotiations.** If the Department terminates Discussions or Negotiations with a Proposer, the Department may then commence Negotiations with the next highest scoring Proposer in the Competitive Range, and continue the process described in this Rule until the Department has either:
  - (A) Determined to Award the Contract to the Proposer with whom it is currently discussing or negotiating; or
  - (B) Completed one (1) round of Discussions or Negotiations with all Proposers in the Competitive Range, unless the Department provided for more than one (1) round of Discussions or Negotiations in the Request for Proposals.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.400 to 279C.410

#### **49-0660 RFP Pricing Mechanisms**

- (1) A Request for Proposals may result in a lump sum Contract Price, as in the case of Competitive Bidding. Alternatively, a cost reimbursement Contract may be negotiated.
- (2) Economic incentives or disincentives may be included to reflect stated Department purposes related to time of completion, safety or other Contracting objectives, including total least cost mechanisms such as life cycle costing.
- (3) A Guaranteed Maximum Price (GMP) is used as the pricing mechanism for CM/GC where a total Contract Price is provided in the design phase in order to assist the Department in determining whether the project scope is within the Department's budget, and allowing for design changes during preliminary design rather than after final design Work has been completed.
  - (a) If this collaborative process is successful, the Contractor shall propose a final GMP, which may be accepted by the Department and included within the Contract.
  - (b) If this collaborative process is not successful, and no mutually agreeable resolution on GMP can be achieved with the Contractor, then the Department shall terminate the Contract. The Department may then proceed to negotiate a new Contract (and GMP) with the firm that was next ranked in the original selection process, or employ other means for continuing the project under ORS Chapter 279C.
- (4) When cost reimbursement Contracts are utilized, regardless of whether a GMP is included, the Department shall provide for audit controls that will effectively verify rates and ensure that costs are reasonable, allowable and properly allocated.

#### 49-0670 Design-Build Contracts

- (1) **General.** The Design-Build form of contracting, as defined at Rule 49-0610(3), has technical complexities that are not readily apparent. Departments 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 Department 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 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 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); 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.** Departments shall utilize the Design-Build form of contracting only in accordance with the requirements of these Rules 49-0600 to 49-0690. See particularly Rule 49-0620 on "Use of Alternative Contracting Methods" and Rule 49-0680 pertaining to ESPCs.
- (3) **Selection.** Design-Build selection criteria may include those factors set forth above in Rule 49-0640(2)(a), (b) and (c).
- (4) **Licensing.** If a Design-Build Contractor is not an Oregon licensed design professional, the Department shall require that the Design-Build Contractor disclose in its Written Offer that it is not an Oregon licensed design professional, and identify the Oregon licensed design professional(s) who will provide design services. See ORS 671.030(2) (g) (A) regarding the Offer of architectural services, and ORS 672.060(11) regarding the Offer of engineering services that are related to construction Work.
- (5) **Performance Security.** ORS 279C.380(1)(a) provides that for Design-Build Contracts the surety's obligation on performance bonds, or the Bidder's obligation on cashier's or certified checks accepted in lieu thereof, includes the preparation and completion of design and related Personal Services specified in the Contract. This additional obligation, beyond performance of construction Work, extends only to the provision of Personal 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.

- (6) **Contract Requirements.** Departments shall conform their Design-Build contracting practices to the following requirements:
- (a) **Design Services.** The level or type of design services required shall be clearly defined within the Procurement documents and Contract, along with a description of the level or type of design services previously performed for the project. The Personal Services and Work to be performed shall be clearly delineated as either design Specifications or performance standards, and performance measurements shall be identified.
  - (b) **Professional Liability.** The Contract shall clearly identify the liability of design professionals with respect to the Design-Build Contractor and the County, as well as requirements for professional liability insurance.
  - (c) **Risk Allocation.** The Contract shall clearly identify the extent to which the County 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 shall clearly identify any express warranties made to the County regarding characteristics or capabilities of the completed 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 performance and budget guidelines.
  - (e) **Incentives.** The Contract 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 process on the basis that the Department is benefited from such deliverables.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.110 & ORS 351.086

#### **49-0680 Energy Savings Performance Contracts (ESPC)**

- (1) **Generally.** These Rules 49-0600 to 49-0690 include a limited, efficient method for Departments to enter into ESPCs outside the Competitive Bidding requirements of ORS 279C.335 for existing buildings or structures, but not for new construction (See ORS 279C.335 (1) (f)). If a Department chooses not to utilize the ESPC Procurement method provided for by these Rules 49-0600 to 49-0690, the Department may still enter into an ESPC by complying with the Competitive Bidding Exemption process set forth in ORS 279C.335, or by otherwise complying with the Procurement requirements of these Rules.
- (2) **ESPC Contracting Method.** The ESPC form of contracting, as defined at Rule 49-0610(6), has unique technical complexities associated with the determination of what ECMs are feasible for the Department, as well as the additional technical complexities associated with a Design-Build Contract. Departments 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 Department shall be able to reasonably anticipate one (1) or more of the following types of benefits:
  - (a) Obtaining, through an ESCO, the following types of integrated Personal Services and Work: facility profiling, energy baseline studies, ECMs, Technical Energy Audits, project

development planning, engineering design, plan preparation, cost estimating, life cycle costing, construction administration, project management, construction, quality control, operations and maintenance staff training, commissioning services, M & V 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 Development Plan phase into the design and construction phase of Work on the project;
  - (d) Reducing the risk of design flaws, misunderstandings and conflicts inherent in the construction process, through the integration of ESPC Personal Services and Work;
  - (e) Obtaining innovative design solutions through the collaboration of the members of the 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.** Departments desiring to pursue an Exemption from the Competitive Bidding requirements of ORS 279C.335 (and, if applicable, ORS 351.086), shall utilize the ESPC form of contracting only in accordance with the requirements of Rules 49-0600 to 49-0690.
- (4) **No findings Required.** No findings are required for an ESPC to be exempt from the Competitive Bidding process for Public Improvement Contracts unless the Department chooses not to comply with the ESPC contracting procedures set forth in Rules 49-0600 to 49-0690.
- (5) **Selection.** ESPC selection criteria may include those factors set forth above in Rule 49-0640(2)(a), (b), (c) and (d). Since the Energy Savings Guarantee is such a fundamental component in the ESPC contracting process, Proposers 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) **Licensing.** If the ESCO is not an Oregon licensed design professional, the Department 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. See ORS 671.030(5) regarding the Offer of architectural services, and ORS 672.060(11) regarding the Offer of engineering services that are appurtenant to construction services.
- (7) **Performance Security.** At the point in the ESPC when the parties enter into a binding Contract that constitutes a Design-Build Contract, the ESCO shall provide a performance bond and a payment bond, each for 100% of the full Contract Price, including the construction and design and related professional 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" include conventional design services, commissioning services, training services for the Department's operations and maintenance staff, and any similar Personal Services provided by the ESCO under the ESPC Design-Build Contract prior to final completion of construction. M & V services, and any Personal Services or Work associated

with the ESCO's Energy Savings Guarantee are not included in these ORS 279C.380(1)(a) "design and related professional services." Nevertheless, a Department may require that the ESCO provide performance security for M & V services and any Personal Services or Work associated with the ESCO's Energy Savings Guarantee, if the Department so provides in the RFP.

- (8) **Contracting Requirements.** Departments shall conform their ESPC contracting practices to the following requirements:
- (a) **General ESPC Contracting Practices.** An ESPC involves a multi-phase 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, the contractual terms governing the Technical Energy Audit for the project, the contractual terms governing the Project Development Plan for the project, the contractual terms governing the final design and construction of the project, the contractual terms governing the performance of the M & V services for the project, and the detailed provisions of the ESCO's Energy Savings Guarantee for the project.
  - (B) The various phases of the ESCO's Work will include the following:
    - (i) The Technical Energy Audit phase of the Work;
    - (ii) The Project Development Plan phase of the Work;
    - (iii) A third phase of the Work that constitutes a Design-Build Contract, during which the ESCO completes any plans and 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 Personal Services or Work to actually construct the project; and
    - (iv) A final phase of the Work, whereby the ESCO, independently or in cooperation with an independent consultant hired by the County, performs M & V services to ensure that the Energy Savings Guarantee identified by the ESCO in the earlier phases of the 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 Department shall conform its Design-Build contracting practices to the Design-Build contracting requirements set forth in Rule 49-0670(6) above.
- (c) **Pricing Alternatives.** The Department may utilize one (1) of the following pricing alternatives in an ESPC:
- (A) A fixed price for each phase of the Personal Services and Work to be provided by the ESCO;
  - (B) A 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 Personal Services to be performed, a cost reimbursement pricing mechanism for the construction services to be performed with a GMP, a single or annual fixed fee for M & V 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 (in the event an annual M & V 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 County, the ESCO's M & V services may be terminated prior to the completion of the M & V/Energy Savings Guarantee period and the County's future obligation to pay the M & V services fee and Energy Savings Guarantee fee will likewise be terminated, under terms agreed to by the parties).

- (d) **Permitted ESPC Scope of Work.** The scope of 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 pay for themselves over the useful life of the ECMs installed. The permitted scope of Work for ESPCs resulting from a Solicitation under Rules 49-0600 to 49-0690 does not include maintenance services for the project facility.

Stat. Auth.: ORS 279C.335; ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.110 & ORS 351.086

#### **49-0690 Construction Manager/General Contractor (CM/GC)**

- (1) **General.** The CM/GC form of contracting, as defined at Rule 49-0610(2), is a technically complex project delivery system. Departments shall use this contracting method only with the assistance of knowledgeable staff or 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 form of contracting does not contemplate a "single point of responsibility" under which the Contractor is responsible for successful completion of all Work related to a performance Specification. The CM/GC has defined Contract obligations, including responsibilities as part of the project team along with the Department and design professional, although in CM/GC there is a separate Contract between the County and design professional. In order to utilize the CM/GC method, the Department shall be able to reasonably anticipate the following types of benefits:
- (a) **Time Savings.** 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 Department 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.** Early Contractor input during the design process is expected to contribute to significant cost savings. The Department may consider value engineering, building systems analysis, life cycle costing analysis and construction planning that lead to cost savings. The Department 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.** The Public Improvement presents significant technical complexities that are best addressed by a collaborative or team effort between the Department, design professionals and Contractor, in which the Contractor will assist in

addressing specific project challenges through pre-construction Personal Services. The Department may consider the need for Contractor input on issues such as operations of the facility during construction, tenant occupancy, public safety, delivery of an early budget or GMP, financing, historic preservation, difficult remodeling projects and projects requiring complex phasing or highly coordinated scheduling.

- (2) **Authority.** Departments shall use the CM/GC form of contracting only in accordance with the requirements of these Rules. See particularly Rule 49-0620 on "Use of Alternative Contracting Methods".
- (3) **Selection.** CM/GC selection criteria may include those factors set forth above in Rule 49-0640(2)(b).
- (4) **Basis for Payment.** The CM/GC process adds specified Construction Manager Personal Services to traditional General Contractor services, requiring full Contract performance within a negotiated Guaranteed Maximum Price (GMP). The basis for payment is reimbursable direct costs as defined under the Contract, plus a fee constituting full payment for Work and Personal Services rendered, which together shall not exceed the GMP. See GMP definition at Rule 49-0610(7) and Pricing Mechanisms in Rule 49-0660.
- (5) **Contract Requirements.** Departments shall conform their CM/GC contracting practices to the following requirements:
  - (a) **Setting the GMP.** The GMP shall be set at an identified time consistent with industry practice, after supporting information reasonably considered necessary to its use has been developed, and the supporting information shall define with particularity both what is included and excluded from the GMP. A set of drawings and Specifications shall be produced establishing the GMP scope.
  - (b) **Adjustments to the GMP.** The Contract shall clearly identify the standards or factors under which changes or additional Work will be considered outside of the Work scope that warrants an increase in the GMP, as well as criteria for decreasing the GMP. The GMP shall not be increased without a concomitant increase to the scope defined at the establishment of the GMP or most recent GMP amendment.
  - (c) **Cost Savings.** The Contract shall clearly identify the disposition of any cost savings resulting from completion of the Work below the GMP; that is, under what circumstances, if any, the CM/GC might share in those cost savings, or whether they accrue only to the County's benefit. Unless there is a clearly articulated reason for sharing such cost savings, they shall accrue to the County.
  - (d) **Cost Reimbursement.** The Contract shall clearly identify what items or categories of items are eligible for cost reimbursement within the GMP, including any category of "General Conditions" (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.
  - (e) **Audit.** Cost reimbursements shall be made subject to final audit adjustment, and the Contract shall establish an audit process to ensure that Contract costs are allowable, properly allocated and reasonable.
  - (f) **Fee.** Compensation for the CM/GC's Personal Services and Work 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 wherever possible. The fee, first expressed as a proposed percentage of all reimbursable costs, shall be

identified during and become an element of the selection process. It shall subsequently be expressed as a fixed amount when the GMP is established.

- (g) **Incentives.** The Contract shall clearly identify any economic incentives, the specific criteria that apply and their relationship to other financial elements of the Contract (including the GMP).
- (h) **Controlled Insurance Programs.** For projects anticipated to exceed \$75 Million, the Contract shall clearly identify whether an Owner Controlled or Contractor Controlled Insurance Program is anticipated or allowable. If so, the Contract shall clearly identify anticipated cost savings from reduced premiums, claims reductions and other factors, the allocation of cost savings, and safety responsibilities and/or incentives.
- (i) **Early Work.** The RFP shall clearly identify, whenever feasible, the circumstances under which any of the following activities may be authorized and undertaken for compensation prior to establishing the GMP:
  - (A) Early Procurement of materials and supplies;
  - (B) Early release of Bid packages for such things as site development; and
  - (C) Other advance Work related to critical components of the Contract.
- (j) **Subcontractor Selection.** The Contract shall clearly describe the methods by which the CM/GC shall publicly receive, open and record Bids or price quotations, and competitively select subcontractors to perform the Contract Work based upon price, as well as the mechanisms by which the CPCA Manager may waive those requirements. The documents shall also describe completely the methods by which the CM/GC and its affiliated or subsidiary entities may compete to perform the Work, including, at a minimum, advance notice to the public of the CM/GC's intent to compete and a public opening of Bids or quotations by the County or an independent party.
- (k) **Subcontractor Approvals and Protests.** The Contract may establish whether the County shall approve subcontract awards, and to what extent, if any, the Department will resolve Procurement protests of subcontractors and suppliers. The contract may specify whether the CM/GC acts as the County's representative in this process and whether the CM/GC's subcontracting records are considered to be public records. In any event, the County shall retain the right to monitor the subcontracting process in order to protect County's interests.
- (l) **CM/GC Self-Performance.** Whenever feasible, the Contract shall establish the elements of Work the CM/GC may self-perform without competition, including, for example, the Work of the job-site general conditions. In the alternative, the Contract shall include a process for Department approval of CM/GC self-performance.
- (m) Stat. Auth.: ORS 279A.065  
Stats. Implemented: ORS 297C.335 & ORS 279C.380(2)

#### 49-0695 Post Project Evaluation

- (1) Upon completion of and final payment for any Public Improvement contract, or class of Public Improvement contracts in excess of \$100,000 for which the County did not use the competitive bidding process, the Department shall prepare and deliver to the Board an evaluation of the Public Improvement contract or the class of Public Improvement contracts.
- (2) The evaluation shall include but is not limited to the following matters:

- (a) The actual project cost as compared with original project estimates;
  - (b) The amount of any guaranteed maximum price;
  - (c) The number of project change orders issued;
  - (d) A narrative description of successes and failures during the design, engineering and construction of the project;
  - (e) An objective assessment of the use of the alternative contracting process as compared to the findings prepared to support the use of the alternative contracting process;
- (3) The evaluation required by this section:
- (a) Shall be made available for public inspection; and
  - (b) Shall be completed within 30 days of the date the County accepts:
    - (D) The Public Improvement project; or
    - (E) The last Public Improvement project if the project falls within a class of Public Improvement projects.

## **CONTRACT PROVISIONS**

### **49-0800 Required Contract Clauses**

Departments shall include in all formal Solicitations for Public Improvement Contracts all of the ORS Chapter 279C required Contract clauses, as set forth in the checklist contained in Rule 49-0200(1)(c) regarding Solicitation Documents. The following series of rules provide further guidance regarding particular Public Contract provisions.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 297C.505 to ORS 279C.545 & ORS 279C.800 to 279C.870

### **49-0810 Waiver of Delay Damages Against Public Policy**

No provision shall be placed in a Public Improvement Contract purporting to waive, release, or extinguish the rights of a Contractor to damages resulting from the County's unreasonable delay in performing the Contract. However, Contract provisions requiring notice of delay, providing for alternative dispute resolution such as arbitration (where allowable) or mediation, providing other procedures for settling Contract disputes, or providing for reasonable liquidated damages, are permissible.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.315

### **49-0815 BOLI Public Works Bond**

Pursuant to ORS 279C.830 (3), the specifications for every Public Works Contract shall contain a provision stating that the Contractor and every subcontractor shall have a Public Works bond filed with the Construction Contractors board before starting Work on the project, unless otherwise exempt. This bond is in addition to performance bond and payment bond requirements.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.830

## 49-0820 Retainage

- (1) **Withholding of Retainage.** A Department shall not retain an amount in excess of five (5) percent of the Contract Price for Work completed. If the Contractor has performed at least 50 percent (50%) of the Contract Work and is progressing satisfactorily, upon the Contractor's submission of Written application containing the surety's Written approval, the Department may, in its discretion, reduce or eliminate Retainage on any remaining progress payments. The Department shall respond in Writing to all such applications within a reasonable time. When the Contract Work is ninety-seven and one-half percent (97-1/2%) completed, the Department may, at its discretion and without application by the Contractor, reduce the retained amount to one hundred percent (100%) of the value of the remaining unperformed Contract Work. A Department may at any time reinstate Retainage. Retainage shall be included in the final payment of the Contract Price.
- (2) **Deposit in interest-bearing accounts.** Upon request of the Contractor, the County shall deposit cash Retainage in an interest-bearing account in a bank, savings bank, trust company, or savings association, for the benefit of the County. Earnings on such account shall accrue to the Contractor.
- (3) **Alternatives to cash Retainage.** In lieu of cash Retainage to be held by the County, the Contractor may substitute one (1) of the following:
  - (a) **Deposit of securities:**
    - (A) The Contractor may deposit bonds or securities with the County or in any bank or trust company to be held for the benefit of the County. In such event, the County shall reduce the Retainage by an amount equal to the value of the bonds and securities, and reimburse the excess to the Contractor.
    - (B) Bonds and securities deposited or acquired in lieu of Retainage shall be of a character approved by the County Chief Financial Officer and may include, without limitation:
      - (i) Bills, certificates, notes or bonds of the United States.
      - (ii) Other obligations of the United States or its Agencies.
      - (iii) Obligations of any corporation wholly owned by the Federal Government.
      - (iv) Indebtedness of the Federal National Mortgage Association.
    - (C) Upon a determination by the Department that all requirements for the protection of the County's interests have been fulfilled, it shall release to the Contractor all bonds and securities deposited in lieu of Retainage.
  - (b) **Deposit of surety bond.** The County, at its discretion, may allow the Contractor to deposit a surety bond in a form acceptable to the Department in lieu of all or a portion of funds retained or to be retained. A Contractor depositing such a bond shall accept surety bonds from its subcontractors and suppliers in lieu of Retainage. In such cases, Retainage shall be reduced by an amount equal to the value of the bond, and the excess shall be reimbursed.
- (4) **Recovery of costs.** The County may recover from the Contractor all costs incurred in the proper handling of cash Retainage and securities, by reduction of the final payment.
- (5) **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 County 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 County. The County shall pay the Contractor the amount retained under this provision within 14 days after the Contractor files the certified statements regardless of whether a subcontractor has filed such statements.

Stat. Auth.: ORS 279A.065 & ORS 279.845

Stats. Implemented: ORS 279C.560, ORS 279C.570 & ORS 701.420

#### **49-0830 Contractor Progress Payments**

- (1) **Request for Progress Payments.** Each month the Contractor shall submit to the Department its Written request for a progress payment based upon an estimated percentage of Contract completion. At the Department's discretion, this request may also include the value of material to be incorporated in the completed Work that 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 Department will make a progress payment to the Contractor, which 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 Department for any cause;
  - (d) less the appropriate amount of Retainage.
- (2) **Progress Payments/Acceptance of Work.** Progress payments shall not be construed as an acceptance or approval of any part of the Work, and shall not relieve the Contractor of responsibility for defective workmanship or material.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.570

#### **49-0840 Interest**

- (1) **Prompt payment policy.** A Department shall pay promptly all payments due and owing to the Contractor on Contracts for Public Improvements.
- (2) **Interest on progress payments.** Late payment interest shall begin to accrue on payments due and owing on the earlier of 30 Days after receipt of invoice or 15 Days after Department approval of payment (the "Progress Payment Due Date"). The interest rate 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, shall be due and owing no later than 30 Days after Contract completion and acceptance of the Work. Late-payment interest on such final payment shall thereafter accrue at the rate of 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 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, shall accrue from the later of the Progress Payment Due Date, or thirty Days after the Contractor

submitted a claim for payment to the Department in Writing or otherwise in accordance with the Contract requirements.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.570

#### **49-0850 Final Inspection**

- (1) **Notification of Completion; Inspection.** The Contractor shall notify the Department in Writing when the Contractor considers the Contract Work completed. Within 15 Days of receiving Contractor's notice, the Department will inspect the project and project records, and will either accept the Work or notify the Contractor of remaining Work to be performed.
- (2) **Acknowledgment of acceptance.** When the Department finds that all Work required under the Contract has been completed satisfactorily, the Department shall acknowledge acceptance of the Work in Writing.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.570

#### **49-0860 Public Works Contracts**

- (1) **Generally.** ORS 279C.800 to 279C.870 regulate Public Works Contracts, as defined in ORS 279C.800(5), and requirements for payment of prevailing wage rates. Also see administrative rules of the Bureau of Labor and Industries (BOLI) at OAR Chapter 839.
- (2) **BOLI Notification.** The Department shall provide notification of Award to BOLI as required by ORS 279C.835.
- (3) **Required Contract Conditions.** As detailed in the above statutes and rules, every Public Works Contract shall contain the following provisions:
  - (a) County 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 to employees of hours and 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 for payment of prevailing rate of wage, as set forth in ORS 279C.830.
    - i) If no federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(a) shall be attached to the contract.
    - ii) If federal funds are being used to fund the work, the wage rates established under ORS 279C.815(2)(b) shall be attached to the contract.
  - (f) Requirement for payment of fee to BOLI, as set forth in ORS 279C.830(2) and administrative rule of the BOLI commissioner.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.800 to ORS 279C.870

#### **49-0870 Specifications; Brand Name Products**

- (1) **Generally.** The Solicitation Document shall not expressly or implicitly require any product by brand name or mark, nor shall it require the product of any particular manufacturer or seller, except pursuant to an Exemption granted under ORS 279C.345(2).
- (2) **Equivalents.** A Department may identify products by brand names so long as the following language: "approved equal"; "or equal"; "approved equivalent" or "equivalent," or similar language is included in the Solicitation Document. The Department shall determine, in its sole discretion, whether an Offeror's alternate product is "equal" or "equivalent."

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.345

#### **49-0880 Records Maintenance; Right to Audit Records**

- (1) **Records Maintenance; Access.** Contractors and subcontractors shall maintain all fiscal records relating to Contracts in accordance with generally accepted accounting principles ("GAAP"). In addition, Contractors and subcontractors shall maintain all other records necessary to clearly document their performance and any claims arising from or relating to their performance under a Public Contract. Contractors and subcontractors 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 Department at reasonable times and places, whether or not litigation has been filed as to such claims.
- (2) **Inspection and Audit.** A Department 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 shall provide cost or pricing data under a Contract, the Person shall maintain such Records that relate to the cost or pricing data for 3 years from the date of final payment under the Contract, unless a shorter period is otherwise authorized in Writing.
- (3) **Records Inspection; Contract Audit.** The County, and its authorized representatives, shall be entitled to inspect, examine, copy, and audit any Contractor's or subcontractor's Records, as provided in subsection 1 of this Rule. The Contractor and subcontractor shall maintain the Records and keep the Records accessible and available at reasonable times and places for a minimum period of 3 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.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.030, ORS 279C.375, ORS 279C.380 & ORS 279C.440

#### **49-0890 Department Payment for Unpaid Labor or Supplies**

- (1) **Contract incomplete.** If the Contract is still in force, the County may, in accordance with ORS 279C.515(1), pay a valid claim to the Person furnishing the labor or services, and charge the amount against payments due or to become due to the Contractor under the Contract. If the County chooses to make such a payment as provided in ORS 279C.515(1), the Contractor and the Contractor's surety 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 shall be referred to the Contractor's surety for resolution. The County

shall not make payments to subcontractors or suppliers for Work already paid for by the County.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.515

#### **49-0900 Contract Suspension; Termination Procedures**

- (1) **Suspension of Work.** In the event the County suspends performance of Work for any reason considered by the Department to be in the public interest other than a labor dispute, the Contractor shall be entitled to a reasonable extension of Contract time, and to reasonable compensation for all costs (as defined in the Contract), including a reasonable allowance for related overhead (as defined in the Contract), 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 County 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 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.
  - (b) **Payment.** When a Contract, or any divisible portion thereof, is terminated pursuant to this subsection (2), the County shall pay the Contractor a reasonable amount of compensation for preparatory Work completed, and for costs and expenses arising out of termination (all as defined in the Contract). The Department shall also pay for all Work completed, based on the Contract Price. Unless the Work completed is subject to unit or itemized pricing under the Contract, payment shall be calculated based on percent of Contract completed (as may be further defined in the Contract). No claim for loss of anticipated profits will be allowed.
  - (c) **Public interest termination by Department.** A Department may include in its Contracts terms detailing the circumstances under which the Contractor shall be entitled to compensation as a matter of right in the event the Department unilaterally terminates the Contract for any reason considered by the Department to be in the public interest.
  - (d) **Responsibility for completed Work.** Termination of the Contract or a divisible portion thereof pursuant to this Rule shall not relieve either the Contractor or its surety of liability for claims arising out of the Work performed.
  - (e) **Remedies cumulative.** The Department may, at its discretion, avail itself of any or all rights or remedies set forth in these Rules, in the Contract, or available at law or in equity.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.650, ORS 279C.655, ORS 279C.660, ORS 279C.665 & ORS 279C.670

#### **49-0910 Changes to the Work and Contract Amendments**

- (1) **Definitions for Rule.** As used in this Rule:

- (a) **“Amendment”** means a Written modification to the terms and conditions of a Public Improvement Contract, other than by Changes to the Work, within the general scope of the original Procurement that requires mutual agreement between the Department and the Contractor.
  - (b) **“Changes to the Work”** means a mutually agreed upon change order, or a construction change directive or other Written order issued by the County or its authorized representatives to the Contractor requiring a change in the 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, or both, for the changed Work.
  - (c) **“Changes Provisions”** Changes to the Work are anticipated in construction and, accordingly, Departments shall include changes provisions in all Public Improvement Contracts that detail the scope of the changes clause, provide pricing mechanisms, authorize the County or its authorized representatives to issue Changes to the Work and provide a procedure for addressing Contractor claims for additional time or compensation. When Changes to the Work are agreed to or issued consistent with the Contract’s changes provisions they are not considered to be new Procurements and an Exemption from Competitive Bidding is not required.
- (2) **Contract Amendments.** Contract Amendments to Public Improvement Contracts are not considered to be new Procurements and an Exemption from Competitive Solicitation is not required to add work when:
- (a) The work added is within the general scope of the original Contract, or if the work is outside the scope of the original Contract, it can be performed by the Contractor at a cost below what the Department estimates it would cost if a contract for that work were awarded through sealed competitive bidding, competitive quotations, or competitive proposals. Additional work is “within the general scope of the original Contract for the purposes of this subsection if the additional work is logically related to the contract work; prudent contract management, engineering or construction practices dictate that the additional work ought to be performed in conjunction with the original contract work; the additional work is located at the same site as the contract work; and the contract objectively establishes the prices, or the method of arriving at the price, for the additional work;
  - (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 site, relative dollar values, differences in risk allocation and whether the original Procurement was accomplished through Competitive Bidding, Competitive Proposals, 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 supporting the Competitive Bidding Exemption; and
  - (d) The Amendment is made consistent with this rule and any other applicable legal requirements.
- (3) **Limits on Contract Increases.** The aggregate increase resulting from all amendments to a Contract shall not exceed 20 percent of the original Contract Price, except that amendments to Contracts for the renovation or remodeling of a building may be increased up to 33 percent of the original Contract Price. For contracts of \$75,000 or less increases in excess of these limits

shall be approved by the CPCA Manager prior to authorization of performance of the Work. For contracts in excess of \$75,000 increases in excess of these limits shall be submitted to the CPCA Manager to obtain approval by the Board prior to authorization of performance of the Work.

- (4) **Applicability of Rule.** Every Public Improvement Contract shall comply with the requirements of this Rule including Contracts advertised, or if not advertised entered into prior to March 1, 2005.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279C.400(1)

## **DIVISION 55 CONTRACTS WITH QUALIFIED REHABILITATION FACILITIES**

### **55-0005 Definitions**

- (1) As used in Rules 55-0005 to 55-00305:
  - (a) "Price" means the cost to the County of the products and services under contracts procured under the program created by ORS 279.835 to 279.850 as determined by these Division 55 Rules.
  - (b) "Procurement List" means a listing of those nonprofit agencies for Disabled Individuals that currently are qualified to participate in the program created by ORS 279.835 to 279.850 and includes a list of the products and services offered by QRFs and determined by the State Procurement Office to be suitable for purchase by agencies.
  - (c) "Qualified Rehabilitation Facility" or "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 Office has determined to be qualified to participate in the program created by ORS 279.835 to 279.850.
  - (d) "QRF Contract" means a Contract entered into under the program created by ORS 279.835 to 279.850

Stat. Auth.: ORS 279.845(1), ORS 184.340

Stats. Implemented: ORS 279.015(1)(b), ORS 279.835 to ORS 279.855

### **55-0010 Policy**

- (1) It is the policy of Multnomah County to encourage and assist Disabled Individuals to achieve maximum personal independence through useful and productive gainful employment by assuring an expanded and constant market for sheltered workshop and activity center products and services, thereby enhancing their dignity and capacity for self-support and minimizing their dependence on welfare and need for costly institutionalization. An essential element of this policy is to support sheltered employment to the fullest extent provided by law by contracting for needed Goods and services available from QRFs. The County shall identify contracting opportunities within the organization and Award appropriate Contracts to QRFs in accordance with ORS 279.850 and this Division 55. This policy shall be equally applicable to all County Departments and shall be administered by the CPCA Manager.

### **55-0015 Procurements from QRFs**

- (1) When the County intends to procure a product or service that is listed on the Procurement List, it shall procure that product or service, at the Price determined by the State Procurement Office, from a Qualified Rehabilitation Facility if the product or service is of Specifications appropriate to the County's Procurement needs and is available within the time required by the County.
- (2) The County shall enter into and renew QRF Contracts only for the specific products or services that are on the Procurement List.
- (3) If a QRF is removed from the Procurement List, the County shall not Award or renew a QRF Contract, and the removal from the Procurement List shall constitute sufficient grounds for the County to terminate any outstanding QRF Contract.

- (4) No placement of a product or service on the Procurement List shall act to displace a Contractor under an existing Contract with the County for the same product or service prior to the expiration or other termination of the Contractor's Contract with the County. However, where a product or service is on the Procurement List, no existing Contract shall be renewed for such a product or service.
- (5) If a QRF submits a competitive bid, Proposal, Quote or other Offer in a competitive Procurement for a Public Contract, then regardless of whether the Offer was accepted, that QRF may not, at any time during the initial term of the Contract for which the QRF submitted a bid, Proposal or Offer, make any claim to the County that the product or service that was the subject of the Offer is on the Procurement List. If, during the Solicitation process, a QRF claims the product or service that is the subject of the Procurement is on the Procurement List, then, if the product or service is determined to have been on the Procurement List at the time the Solicitation Document was issued, the Solicitation process shall be terminated so long as a Contract has not been fully executed at the time the claim is made.

Stat. Auth.: ORS 279.845(1), ORS 184.340

Stats. Implemented: ORS 279.015(1)(b), ORS 279.835 to ORS 279.855

#### **55-0030 Determination of Price/Changes to QRF Contracts**

- (1) When a product or service on the Procurement List is offered by more than one QRF, a Department may purchase the required product or service from any QRF without competition between QRFs.
- (2) Departments may use the formal selection procedure described in Rule 47-0260 to select a QRF to provide a service on the Procurement list, provided that:
  - (a) The Solicitation shall not request any information concerning price and price shall not be a consideration in making the Award.
  - (b) The Solicitation shall not be advertised
  - (c) Notice of the Solicitation shall only be given to those QRFs offering the service on the Procurement List.
  - (d) After selection of a QRF the price will be determined in accordance with subsection (3)(b) below
- (3) **Price.**
  - (a) Price for products or services where the Price is listed. For products or services on the Procurement List where the Price is listed, the Contract shall provide that the County will pay the Price that is listed.
  - (b) Price for services where the Price is not listed. For services for which no price is listed on Procurement List, the Department shall proceed as follows:
    - (A) The Department shall request that the QRF submit its proposed Price to the County based on the volume or scope of the Work and Specifications provided by the County as prescribed in the proposed contract between the QRF and the County. For janitorial, security and food services where a Living Wage is required to be paid, the Specifications shall state the minimum wage required to be paid.
    - (B) In submitting its proposed Price to the County the County shall require the QRF to make full disclosure of known costs. The disclosure shall include documentation, on a form prescribed by the State Procurement Office, that the costs proposed will

result in a Price that will permit the QRF to recover the amounts prescribed in ORS 279.845(1)(a) The Department shall require that an authorized officer of the QRF certify that the costs claimed are, to the best of the officer's knowledge, reasonable and adequate, and that the proposed Price will permit the QRF to recover the amounts prescribed in ORS 279.845(1)(a).

- (C) If the QRF and the County agree on the terms and conditions of a proposed contract and the price for the services to be provided under the proposed contract, the Department shall present the proposed contract (including the agreed Price) to the State Procurement Office for review and approval of the Price. If the QRF and the County cannot agree on the price, the parties shall present the issue of price to the State Procurement Office for determination.
- (D) The County shall not execute or implement any Contract under the program created by ORS 279.835 to 279.850 until the State Procurement Office has transmitted notice of the Price approved determined by the State Procurement Office to the County and the QRF.
- (c) Re-determinations of Price. The Price established by the State Procurement Office shall apply for the initial term or period of the Contract unless otherwise approved by the State Procurement Office. The State Procurement Office may re-determine a Price at the request of a QRF or County, or at the discretion of the State Procurement Office. Until the State Procurement Office approves a new Price, the QRF shall continue to provide, at the established Price, the service or product in accordance with the scope of Work that was the basis for establishing the existing Price.
- (d) The County shall not pay or agree to pay a QRF any amount other than the Price approved by the State Procurement Office. Any Price established by the State Procurement Office for a product or service shall remain in effect until the State Procurement Office approves a new Price.
- (e) Departments shall not make material changes (changes that affect the cost of providing the products or services in more than a negligible manner) to the Specifications of a QRF Contract unless the changes are in Writing and have been submitted to the State Procurement Office for a re-determination of Price. If the Department wishes to make a material change to the Specifications from the most recent Solicitation for the product or service, the Department shall notify the QRF in Writing of the specific changes in the scope of Work or other conditions which will be required during the new Contract period. No agreement making a material change in the Specifications shall be executed until State Procurement Office re-determines the Price.

Stat. Auth.: ORS 279.845(1), ORS 184.340

Stats. Implemented: ORS 279.015(1)(b), ORS 279.835 to ORS 279.855

## **DIVISION 60 EQUAL OPPORTUNITY IN PUBLIC CONTRACTING**

### **60-0010 Purpose**

- (1) The purpose of this Division is to establish procedures to assure that Multnomah County provides adequate opportunities for Minority Individuals, Women, and MBE, WBE and ESB contractors and subcontractors to participate and compete for business and employment opportunities provided through Contracts with Multnomah County.

### **60-0020 Policy**

- (1) It is the intent of Multnomah County to provide opportunities for all segments of the business population to participate in Multnomah County contracting opportunities.
- (2) Multnomah County has a compelling governmental interest in prohibiting discrimination in programs, activities, services, benefits and employment whether carried out by the County itself or through a Contractor with whom the County arranges to carry out its programs and activities.

### **60-0030 Contract Clauses Required**

- (1) In order to assure opportunity, every County Contract shall include a provision barring discrimination against MBEs, WBEs and ESBs by Contractor and all subcontractors.
- (2) Every County Contract shall contain a provision prohibiting discrimination by Contractor and all subcontractors based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income.

### **60-0031 Good Faith Effort Program**

- (1) The activities described in ORS 200.045 are standards for Good Faith Efforts to provide equitable opportunities for MBEs, WBEs, and ESBs to participate in subcontract opportunities created through Multnomah County Contracts.
- (2) The CPCA Manager shall implement a Good Faith Effort program utilizing the standards described in ORS 200.045 that are determined to be effective to achieve the purpose of this section together with such other standards as are appropriate to such a program. Bid or Proposal Specifications for Contracts requiring Good Faith Effort shall state the requirements necessary to show that a Good Faith Effort has been made and shall require documentation of such effort. The CPCA Manager shall cooperate with other municipal and state agencies to design, to the maximum extent possible, a program that is uniform between agencies.
- (3) The CPCA Manager shall determine if the Offer complies with requirements for Good Faith Effort in the Solicitation Document.
- (4) If the Good Faith Effort documentation submitted by the Offeror fails to substantially comply with the requirements of the Solicitation Document, the Offer shall be deemed non-responsive and shall be rejected by the CPCA Manager.

### **60-0040 Requirement for Certification as Equal Employment Opportunity Employer**

- (1) No Department shall enter into a Contract for an amount in excess of \$75,000 unless the Contractor is at the time of such Contract certified as an EEO Contractor by the City of Portland. Before entering into any such Contract with a Contractor, the Department shall

determine from the listing on the CPCA MINT Site or by other available means whether a Contractor is EEO certified.

- (2) Contractors may become EEO Certified by application to the City of Portland. A Contractor may appeal a decision to deny certification or revoke certification in accordance with the procedure prescribed in ORS 279B.425.

#### **60-0050 Workforce Requirements in Construction Contracts**

- (1) For all Contracts designated by the CPCA Manager as being appropriate for such a program, the CPCA Manager shall establish Specifications to be included in the Solicitation Document which require for such Contracts that contractors make reasonable efforts to increase apprenticeship training and work opportunities for Women and Minority Individuals, and, to ensure that their workforce reflects the diversity of Multnomah County and is reasonably consistent with the availability of qualified Women and Minority Individuals. The Specifications shall state the requirements necessary to show that a reasonable effort has been made, shall require documentation of such effort, and shall provide for remedies to the County for failure to comply with any of the specified requirements.

#### **60-0060 Sheltered Market Program**

- (1) There is hereby established a Sheltered Market Program for MBE, WBE, DBE and ESB contractors performing Public Works Contracts for Multnomah County. The purpose of the program is to provide prime contracting experience for small contractors in order to increase the number of contractors available to bid on Multnomah County Public Works projects, and to increase participation of MBE, WBE, DBE and ESB contractors acting as prime contractors on County Public Works projects to ensure uniform access to public contracting dollars and to improve opportunities for Minorities and Women acting as business owners in the regional construction industry.
- (2) Contractors shall be selected for participation in the Sheltered Market Program based on an application approved by the CPCA Manager. Criteria for selection shall include the following:
  - (a) Contractor shall be a state certified MBE, WBE, DBE or ESB; and
  - (b) Contractor shall have prior experience performing construction work and shall be currently in business doing construction work; and
  - (c) Contractor's average annual gross receipts for the three calendar years prior to the application shall be less than \$1,000,000. The CPCA Manager shall have the discretion to waive this requirement if waiver will advance the purposes of the program and if all other criteria are met; and
  - (d) Contractor shall have reported that Contractor has experienced barriers in the conduct of Contractor's business based on race, gender or size of the business.
- (3) The CPCA Manager may develop additional criteria for selection of contractors for participation in the program which further the purpose of the program.
- (4) A Contractor may appeal a decision to deny participation in the program to the Public Contract Review Board in accordance with the procedure prescribed in ORS 279B.425.
- (5) Contracts to be included in the Sheltered Market Program shall be selected by the CPCA Manager from projects estimated at the time of bidding to result in a Contract in excess of the dollar limits set forth in 47-0270 (1) and 49-0160 (1), depending on the type of project, and less than \$200,000. The CPCA Manager may include in the program additional Contracts up to \$250,000 if inclusion will further the purposes of the program. In the selection of Contracts

to be included in the program, the CPCA Manager shall consider the number of contractors in the program which have the qualifications and the capacity to perform the Work. If necessary to assure that all Sheltered Market contractors have an opportunity to participate, Contracts may be offered for bid to only selected contractors within the Sheltered Market Program.

- (6) Contracts selected for inclusion in the Sheltered Market Program shall be offered for bid only to contractors admitted to the Sheltered Market Program. Except as provided in subsection (7) below, the Contract shall be awarded to the lowest Responsive Responsible Bidder among those bidding.
- (7) For each project selected for the Sheltered Market Program, the Department for the program shall forward to the CPCA Manager a cost estimate for the project. If the lowest Responsive Responsible Bid is more than the cost estimate, the CPCA Manager shall have the option to Award the Contract, re-bid the project within the Sheltered Market Program, or open the bidding on the project to all Bidders. If bidding is opened to all Bidders, the Contract shall then be awarded to the lowest Responsible Responsive Bid from among all Bids received.
- (8) The CPCA Manager in cooperation with the City of Portland shall promulgate rules setting forth conditions for continued participation in the program and for graduation from the program. Participation in the Program shall be limited to three years absent extraordinary circumstances.
- (9) The CPCA Manager shall prepare a report to the Board of County Commissioners on an annual basis, which provides an evaluation of the program, including information on the subjects set forth in ORS 279C.355. The annual report shall include a recommendation whether the program should be continued. If the CPCA Manager recommends that the Program be continued, the recommendation shall include any proposed improvements to the Program.



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R-7 DATE 9-14-06  
DEBORAH L. BOGSTAD, BOARD CLERK

**Board Clerk Use Only**

Meeting Date: 09/14/06  
Agenda Item #: R-7  
Est. Start Time: 10:30 AM  
Date Submitted: 08/22/06

**BUDGET MODIFICATION:**

**Agenda Title: NOTICE OF INTENT to Apply for Grant Funding from the Community Health Partnership to Provide Funding to Pay for Special Needs of Clients**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

<b>Date Requested:</b>	<u>09/14/2006</u>	<b>Time Requested:</b>	<u>5 minutes</u>
<b>Department:</b>	<u>Health</u>	<b>Division:</b>	<u>CHP3</u>
<b>Contact(s):</b>	<u>Jodi Davich</u>		
<b>Phone:</b>	<u>(503) 988-3663</u>	<b>Ext.:</b>	<u>26561</u>
<b>Presenter(s):</b>	<u>Jodi Davich</u>	<b>I/O Address:</b>	<u>160/9</u>

**General Information**

**1. What action are you requesting from the Board?**

Authorize the Director of the Health Department to apply for grant funding from the Community Health Partnership to establish funds to pay for special needs of clients.

**2. Please provide sufficient background information for the Board and the public to understand this issue.**

The Community Health Partnership, a local private foundation, has announced the availability of funds through its *Special Needs Fund Program* to enable providers of health services to provide fast response to urgent needs of clients. These mini-grant funds are intended to be used to reimburse public health professionals who purchase an item or service for their clients or the grantee can pay vendors directly on behalf of a client. The grantee can also establish a voucher system with local businesses or service agencies. *A Special Needs Fund cannot be used to issue a check or cash directly to a client.*

The Health Department is in the process of identifying specific projects for which proposals will be submitted.

**3. Explain the fiscal impact (current year and ongoing).**

Projects are eligible to apply for up to \$5,000. Generally, grant awards are \$1,000 to \$3,000. No local match is required.

**4. Explain any legal and/or policy issues involved.**

No unusual legal issues related to the project have been identified. Providing for the health of Multnomah County residents is consistent with County policy.

**5. Explain any citizen and/or other government participation that has or will take place.**

No outside citizen input has been solicited for these small grants.

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# ATTACHMENT A

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## Grant Application/Notice of Intent

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If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- **Who is the granting agency?**  
Community Health Partnership, a private foundation that supports the efforts of local public health departments to meet the needs of vulnerable populations.
- **Specify grant (matching, reporting and other) requirements and goals.**  
There are no matching requirements associated with the program. Special Needs Fund grants are used for disbursements of \$250 or less per client request. They are also intended as one-time-only support for an individual or family so that the same individuals do not seek ongoing support from the Special Needs Fund.  
  
Funds will be disbursed to grantees twice a year, based on completion of a six-month progress report that demonstrates appropriate use of funds and adherence to grant guidelines. Grantees are also required to complete a final report detailing the project's ability to achieve stated goals and objectives.
- **Explain grant funding detail – is this a one time only or long term commitment?**  
This is a one-time commitment.
- **What are the estimated filing timelines?**  
Applications are due on September 15, 2006.
- **If a grant, what period does the grant cover?**  
Funding for this effort will be provided beginning January 1, 2007 and conclude on December 31, 2007.
- **When the grant expires, what are funding plans?**  
None.
- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**  
Indirect/administrative costs are not covered. These small grants are intended to be managed and disbursed at the program-level, thereby minimizing indirect costs.

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## ATTACHMENT B

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### Required Signatures

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**Department/  
Agency Director:**



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**Date:** 08/23/06

**Budget Analyst:**



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**Date:** 08/23/06

**Department HR:**

NA

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**Date:**

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**Countywide HR:**

NA

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**Date:**

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**Tax Supervising  
& Conservation  
Commission**

PO Box 8428  
Portland, Oregon  
97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail:  
TSCC@co.multnomah.or.us

Web Site:  
www.co.multnomah.or.us/orgs  
/tsccl

August 16, 2006

Karyne Dargan  
Multnomah County  
501 SE Hawthorne Blvd. 4<sup>th</sup> Floor  
Portland, Oregon 97214

Dear Karyne:

Multnomah County has approved submitting a library local option levy measure to county elections officials for the November 7, 2006 General Election ballot. Under the provisions of Oregon Revised Statute (ORS) 294.655, it is now necessary for TSCC to conduct a public hearing on the measure to allow citizens an opportunity to learn more about the measure and to ask questions of the County as to the need for the local option levy.

This will confirm that TSCC will conduct a public hearing on Multnomah County's \$0.8900 per \$1,000 of assessed value, five year local option levy measure. The hearing will be held:

**DATE:** Thursday, September 14, 2006

**TIME:** 3:00 p.m.

**PLACE:** Commission Boardroom  
Multnomah Building  
501 SE Hawthorne Blvd.  
Portland, Oregon

You are required to publish a notice of the hearing 5-30 days prior to the hearing date. The notice should contain the above information along with a statement that public input will be received. A sample of wording that would meet the notification requirements is shown below as an option.

Feel free to give me a call if you have any questions.

Sincerely,

Tom Linhares,  
Director, Multnomah County Tax Supervising & Conservation Commission

**NOTICE OF PUBLIC HEARING ON PROPERTY TAX MEASURE**

A public hearing on the proposed           (type of measure)           for           (name of district)          , Multnomah County, State of Oregon, will be held by the Tax Supervising and Conservation Commission. The hearing will take place at           (location)           on the            day of            at            am/pm. The purpose of this hearing is to discuss the proposed measure with interested persons.

**Commissioners**

Elizabeth Hengeveld, Chair  
Carl Farrington  
Kirk R. Hall  
Lynn McNamara  
Dr. Roslyn Elms Sutherland



# MULTNOMAH COUNTY, OREGON

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BOARD OF COUNTY COMMISSIONERS

DIANE M. LINN, CHAIR  
MARIA ROJO DE STEFFEY  
SERENA CRUZ  
LISA NAITO  
LONNIE ROBERTS

BUDGET & SERVICE IMPROVEMENT

MULTNOMAH BUILDING  
501 SE HAWTHORNE BLVD.  
SUITE 531  
PORTLAND, OR 97214  
PHONE (503) 988-3312

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TO: The Oregonian  
FROM: Julie Neburka, Budget Office  
DATE: August 29th, 2006  
SUBJECT: Public Notice of Tax Supervising & Conservation Commission Hearing on September 14, 2006

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Please run the following public notice in the Oregonian ONCE on Thursday, September 7<sup>th</sup>, 2006. If you have any questions, please call me at (503) 988-3312, x27351.

## **NOTICE OF PUBLIC HEARING ON PROPERTY TAX MEASURE**

Multnomah County

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A public hearing on the proposed Five-Year Rate Based Local Option Levy to Continue Library Services for Multnomah County, State of Oregon, will be held by the Tax Supervising and Conservation Commission. The hearing will take place in the Multnomah County Commissioners' Boardroom, 501 SE Hawthorne Blvd, Portland, OR, 97214, on the 14<sup>th</sup> day of September, 2006, at 3:00 p.m. The purpose of this hearing is to receive public input and discuss the proposed measure with interested persons.

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**Bill to:**

Multnomah County Budget Office  
501 SE Hawthorne Blvd.  
Suite 531  
Portland, OR 97214

# DRAFT

**DATE:**

**TO:** Tax Supervising Conservation Commission

**FROM:** Molly Raphael, Director of Libraries

**SUBJECT:** Requested Information on Proposed Local Option Library Levy

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**1. How many years will the tax be levied?**

The levy will be for five fiscal years, beginning July 1, 2007 and ending June 30, 2012.

**2. Is the local option levy an amount or a rate?**

The library levy is rate-based: 89 cents per thousand dollars of the assessed value of each property.

**3. What is the annual amount to be levied, or estimated annual revenue if a rate?**

The estimated annual revenue is:

FY 07-08	\$33.0 million
FY 08-09	\$34.1 million
FY 09-10	\$35.3 million
FY 10-11	\$36.5 million
FY 11-12	\$37.8 million

**Mark** – in the response to TSCC for the 2002 levy, Cameron included information here about the effect of other levies passing – do you want to add that?

**4. What is the total to be raised over the life of the levy?**

\$176.7 million (estimate)

**5. Will the levy be used for general operations or will it be dedicated to a specific purpose?**

The levy will be used for general operations of Multnomah County Library.

**6. Name of the account(s) to which revenues from the local option will be credited. If being allocated for more than one service or purpose, what is the allocation and how was it determined?**

# DRAFT

The levy revenues will be credited to the Library Fund.

**7. What services will increase or improve as a result of the levy?**

The levy will be used to maintain current library services, programs, locations and hours as well as the collection of books and other library materials. The only improvement planned in this levy is the operation of two new library locations in underserved neighborhoods of North Portland and East County.

**8. What are the long-term plans for financing increased/improved operations covered by this levy?**

We expect to sustain the operation of two additional neighborhood libraries through the combined levy and County General Fund revenues.

**9. At the time this levy expires, do you foresee that the extra revenue will not be needed, that needed revenue might come from another sources, or that you will need to rely on another local option levy?**

Since 1976 Multnomah County Library has depended on a local option levy for part of its revenues, and the levy now provides over 55% of the Library's funding. When the levy expires, we anticipate asking Multnomah County voters to renew the levy in order to maintain library services.

**10. Has there been citizen involvement in planning for the proposed measure?**

A citizen levy committee was formed in September 2005 to oversee the planning process for this measure. The committee is made up of representatives from the Library Advisory Board, The Library Foundation Board, and the Friends of the Library Executive Committee - all citizen volunteers. The committee is chaired by a member of the Library Advisory Board and he has been updating the Advisory Board at their monthly meetings.

**11. Please provide copies of the following:**

- A. A copy of the Resolution calling the election.
- B. A copy of the ballot that will be submitted to Elections.
- C. Any flyers or published materials regarding the measure.

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 06-129**

Submitting to the Voters a Five-Year Rate Based Local Option Levy to Continue Library Services

**The Multnomah County Board of Commissioners Finds:**

- a. The Multnomah County Library Levy was approved by voters in the November 2002 general election. The levy and other revenues fund library services for five fiscal years beginning July 1, 2003.
- b. The Board considers funding for quality library services in Multnomah County necessary and in the public interest.
- c. The Board determines that for sufficient funding for the library services expected by County residents, it is necessary to renew and replace the 2002 levy, establishing a new County library tax levy.
- d. If a new levy is not approved in an even-numbered year general election, it must be passed by a majority vote at an election where at least 50% of registered voters cast a ballot. (Section 11(8), Article XI of Oregon Constitution)
- e. The Board determines it is in the public interest to replace the final year of the 2002 levy with a new County library tax levy and submit the measure to voters at the November 7, 2006, general election.
- f. The new levy is for five fiscal years commencing July 1, 2007. It is anticipated to raise \$33 million in 2007-08; \$34.1 million in 2008-09; \$35.3 million in 2009-10; \$36.5 million in 2010-11; and \$37.8 million in 2011-12.

**The Multnomah County Board of Commissioners Resolves:**

1. An election is called for the November 7, 2006, general election to submit the Ballot Title measure adopted as Exhibit A and the Explanatory Statement adopted as Exhibit B to the electors of Multnomah County for funding library services.

2. The Ballot Title and Explanatory Statement are certified, and will be filed with the County Director of Elections, and published in accordance with law.
3. The Library Local Option Levy will be outside the limitations of Article XI, Section 11, Oregon Constitution.

ADOPTED this 20th day of July 2006.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By

  
\_\_\_\_\_  
Agnes Sowle, County Attorney

## EXHIBIT A

### BALLOT TITLE

**CAPTION:**

**MEASURE 26-81**

Renew Five-Year Local Option Levy to Continue Library Services

**QUESTION:**

Shall Multnomah County continue library services with levy of 89.0 cents per \$1,000 assessed value for five years beginning 2007?

This measure may cause property taxes to increase more than three percent.

**SUMMARY:**

The library levy approved by voters in 2002 will expire in 2008. It provides over half of the library's funds. Renewal will keep libraries open, maintain hours and services, and open two planned branches. If not renewed, some libraries will close, others will be open fewer hours, and library services will be greatly reduced.

Renewing the levy will:

- Continue programs for school age children, story hours for babies and toddlers, summer reading, literacy services for children in child care, programs for teens.
- Help teachers and students use library resources; provide homework helpers to assist children with school work.
- Maintain free access to information; update books and materials.
- Continue book delivery to homebound seniors and nursing home residents.
- Open planned libraries in underserved neighborhoods of East County and North Portland.
- Keep libraries open; maintain current hours and services at Central and neighborhood libraries.

The levy raises approximately \$33 million in 2007-08; \$34.1 million in 2008-09; \$35.3 million in 2009-10; \$36.5 million in 2010-11; and \$37.8 million in 2011-12.

This levy replaces the current voter-approved library levy. The estimated cost to a homeowner of an average value single family home will be \$11.13 a month.

The estimated tax cost for this measure is an ESTIMATE ONLY based on the best information available from the county assessor at the time of estimate.

## EXHIBIT B

### EXPLANATORY STATEMENT

#### MEASURE 26-81

#### **Continue Multnomah County Library Services**

Measure 26-81 will replace the current library levy. Its cost will be 89 cents per \$1,000 assessed value per year. According to the County Department of Assessment and Taxation, the average single family home would pay about \$11.13 per month for this levy.

#### **RESULT OF A 'YES' VOTE**

Measure 26-81 provides over half the library's funds. Voting yes will renew funding for current library programs and services.

#### **Library Services Expected To Be Maintained Include:**

- Library services for young and school-aged children – story hours for babies and toddlers, homework help, summer reading, and services for children in child care;
- Multnomah County libraries open at least six days a week for an average of 53-58 hours each;
- Central Library and neighborhood libraries open Sunday afternoons;
- Services to seniors including computer classes and book delivery for those who are homebound;
- Library services for jobseekers, small business owners, and English language learners;
- Buying new books, magazines, and other library materials.

The library levy will also provide funds to operate planned branches in underserved neighborhoods of North Portland and East County, which will open during the course of this five-year levy.

Measure 26-81 will fund continued hours and services at Multnomah County libraries including Central Library and:

Albina  
Belmont  
Capitol Hill  
Fairview/Columbia  
Gregory Heights  
Gresham  
Hillsdale

Holgate  
Hollywood  
Midland  
North Portland  
Northwest  
Rockwood  
Sellwood-Moreland  
St. Johns  
Woodstock

### **How Are Libraries Used?**

- 52,000 kids participated in the Library's Summer Reading program in 2005, which includes over half of the county's elementary school children.
- More than 300,000 people attend library programs and events for children and teens each year.
- Each day about 13,000 people visit the 17 libraries.
- An average of 28 books are checked out every year for every man, woman, and child in the county.
- Librarians and library staff provide personal help an average of 90,000 times each week – answering questions, reading stories, checking out books, assisting students after school, and more.
- The library provides 24/7 online access to information, learning resources, and the library catalog.
- Library outreach programs to schools make nearly 120,000 contacts with students and teachers during the school year;

### **RESULT OF A 'NO' VOTE**

The library receives over 55% of its funding from the current voter-approved levy. If the library levy is not renewed, library services will be greatly reduced. New branches will not open, others will be open fewer hours, fewer books will be purchased, and many neighborhood libraries will close.

## Questions:

1. In response to our questions you noted that the County library system has been operating with some sort of local option levy support since 1976. Given that levies now supply about 55% of the library's total revenue and that the requests for additional funding continue to grow across all taxing districts, what are you doing to secure more permanent funding for the system?

Over the last twenty-plus years, a number of proposals have been made to secure permanent, stable funding for the library system. These included establishing an independent library commission with a separate tax base (1983), formation of a special service district (1987), and a tax on the consumption of natural gas and electricity (1992). None of these efforts had sufficient political support to move forward. In its role as the Library's Citizen Budget Advisory Committee, the Library Advisory Board (LAB) has stressed the need for stable, adequate funding each year in its report to the Board of County Commissioners. During 2002-03, the Library Advisory Board did some preliminary research into the possibility of forming a library district; this effort was put on hold due to the arrival of the new library director and then due to the need to engage in this current levy effort. The LAB plans to resume this effort after the election in collaboration with library partners, stakeholders, and the Board of County Commissioners.

2. The November 2002 levy planned for the opening of two library branches in Troutdale and North Portland. Why were you unable to open these library branches?

Financial planning for five year levy budgets is difficult, at best. In the financial planning for the 2004-08 levy the first three years of levy collections were projected to bring in \$79 million; actual collections were about \$75.5 million. For that same period, the County general fund support was estimated to be \$59 million; while actual was \$49.7 million, for a total reduction from both revenue sources of \$13 million. Consequently, each year's budget has been reduced to fit the estimates known at the time of the budget's preparation. For example, the levy plan called for a budget of \$50.2 million in 2003-04 (the levy's first year); the actual budget was \$45.6 million. The reduced budget for each of the first three years of this levy period has prevented the opening of the two new branches. The 2002 levy financial plan anticipated funding for the two new branches, but the ballot title did not specifically include the branches in its language.

3. The proposed levy also plans for these branches. What has changed that will allow the County to open them within this levy cycle?

The Board of County Commissioners and the Library have agreed on a level of County general fund support that should allow for the opening of these two branches. As with the previous levy, much will depend on the revenues coming in as estimated from both the levy and the general fund.

- When do you anticipate that the branches will actually open?  
The Library anticipates the branches opening in 2010.
- Is there enough revenue included in the levy to operate the branches?  
If revenues come in as estimated, there will be enough to operate the two new branches.

4. If the levy is not approved, what are your plans for funding library operations in 2007-08? At that time, there will be one year remaining on the current levy. Will you gradually reduce services, or continue current service levels and reduce services only when the levy expires?

If the levy is not approved, there will be a number of options to consider. These would include:

- Putting a levy on the May 2008 ballot. Though this election requires a double majority, there is some thought that a 50% turnout may be achievable since it is a presidential primary election.
- Putting a levy on the November 2008 ballot. This would mean one year without levy funding (2008-09).
- Either of the above choices could also include a reduction of services in the current fiscal year and a continued or further reduction in 2007-08 while the current levy is still being collected. This would allow the Library to provide services at a reduced, but not as drastically reduced, level during 2008-09, if the May 2008 election was unsuccessful or the decision was made to wait until November 2008.

The Library will work with the Board of County Commissioners and other stakeholders to determine a course of action once the results of the November election are known. The County Attorney's Office has advised the Library that the levy ballot title precludes the Library from closing library locations, though other service reductions would be possible within the levy language.

5. What polling have you done to indicate the level of support for the levy?

The Library has not done polling. Polling is done by the levy campaign, which is a separate organization.

6. What was your citizen input process when developing this measure?

In July 2005, a volunteer stakeholder group representing the Friends of the Library, the Library Foundation, and the Library Advisory Board started a process to review the funding and timing requirements for the library levy. This group, composed almost entirely of citizen volunteers, met at least twice a month for a year and conferred regularly with the Chair and the commissioners. This levy referral is the result of their work.

7. There is the potential for additional Measure 5 compression loss on existing levies. (It has been reported in the Oregonian that The City of Portland's Parks and Children's Investment local option levies will lose a combined \$580,000 more in Measure 5 compression due to the increase in the tax rate of the Library Local Option Levy from \$0.7550 to \$0.8900 per \$1,000 of assessed value.) Have you been in contact with these other taxing districts, and if so, what has been the response?

In early September 2005, there was a joint city/county session to discuss pending levies and the tax situation. There have also been some conversations with the City, initiated by individual County Commissioners and members of the Levy Planning Committee.

While there may be a negative impact on competing local option levies, the current library levy was impacted as well by two local option levies within the City of Portland that passed in 2002. As the library levy supports operating costs that rise each year, the rate has to increase in order to continue to cover the anticipated inflationary impacts over a five year period.

8. What is the current budget for the library and how many FTE are budgeted?

The adopted 2006-07 budget is \$49.7 million with 453 budgeted FTE.