

**Minutes of Meeting of Board of Directors
Sauvie Island Drainage Improvement Company
August 3rd, 2006**

A special meeting of the Board of Directors of the Sauvie Island Drainage Improvement Company was held on August 3rd, 2006 at 12:00 p.m. at the Sauvie Island Volunteer Fire Department.

Directors David Fazio, Bob Egger and David Kunkel were present, as well as Josh Townsley.

The meeting was called to order.

The meeting of the Board of Directors of the Sauvie Island Drainage Improvement Company was temporarily adjourned in order to convene a meeting of the Local Contract Review Board of the Sauvie Island Drainage Improvement Company.

Following adjournment of the Local Contract Review Board of the Sauvie Island Drainage Improvement Company the special meeting of the Board of Directors of the Sauvie Island Drainage Improvement Company reconvened

Upon motion made, duly seconded and carried Resolution Number SIDIC 080306, a copy of which is attached hereto as Exhibit "A" regarding Public Contracting Rules and Procedures was adopted.

Voting in favor:	Bob Egger, David Fazio and David Kunkel
Voting against:	No opposing votes

There being no further business the meeting was adjourned. The next meeting is scheduled for August 10th, 2006 7:00 p.m. at the Sauvie Island Volunteer Fire Department.

Respectfully submitted by:



Bob Egger, Secretary

SAUVIE ISLAND DRAINAGE IMPROVEMENT COMPANY

Resolution Number SIDIC 080306

REGARDING: Public Contracting Rules and Procedures

WHEREAS, ORS 279A.065(5) provides that the Board of Directors of the Sauvie Island Drainage Improvement Company ("Company") may adopt its own rules of procedure related to public contracts.

NOW, THEREFORE, BE IT RESOLVED:

1. The Company Public Contracting Rules are hereby amended to read as set forth in Exhibit "A", attached hereto and by this reference incorporated herein.
2. Where a conflict might exist between the Oregon Attorney General's Model Public Contracting Rules ("Model Rules"), as they now exist and as they may be amended from time to time in the future, and the rules set forth in Exhibit "A" attached hereto, the rules set forth in Exhibit "A" shall prevail.

APPROVED AND ADOPTED on _____, 2006.

Board President

ATTEST:

Board Secretary

EXHIBIT "A"

SAUVIE ISLAND DRAINAGE IMPROVEMENT COMPANY PUBLIC CONTRACTING RULES AND PROCEDURES

A. Background

This Exhibit is an attachment to Sauvie Island Drainage Improvement Company Resolution Number SIDIC 080306. It supplements and in some cases modifies the Public Contracting Rules set forth in the Oregon Attorney General's Model Public Contracting Rules ("Model Rules") as the contracting rules for the Company. Where a conflict might exist between the Model Rules, as may be amended, and the rules set forth in this Exhibit, as may be amended, the rules set forth in this Exhibit shall prevail.

B. Public Notice of Solicitations

Pursuant to ORS 279C.360 and ORS 279B.055, the Sauvie Island Drainage Improvement Company Local Contract Review Board has adopted the following rule related to Electronic Advertising:

Pursuant to ORS 279C.360 and ORS 279B.055, electronic advertisement of public contracts in lieu of newspaper publication is authorized when it is cost-effective to do so. The Company Manager or designee shall have the authority to determine when electronic publication is appropriate, and consistent with the Company's public contracting policies.

C. Personal Services

- (1) Pursuant to ORS 279A.055, The Sauvie Island Drainage Improvement Company Local Contract Review Board has defined "Personal Services" as follows:

"Personal Services" shall be defined to include those services that require specialized technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment, and for which the quality of the service depends on attributes that are unique to the service provider. Such services shall include, but are not limited to: architects; engineers; surveyors; attorneys; accountants; auditors; computer programmers; artists; designers; performers; and consultants. The Company Manager or designee shall have the authority to determine whether a particular service is a "personal service" under this definition.

- (2) **Contracts for personal services other than architectural, engineering and surveying services and related services.** These personal services contracts shall be awarded according to the procedures described in ORS 279B.060. However, by separate resolution, the Local Contract Review Board may authorize certain

personal services contracts, or a class of personal services contracts, to be exempted from competitive proposal requirements according to the requirements of ORS 279B.085. Contracts exempted from competitive proposal processes may be awarded by direct appointment. Personal services contracts existing on the effective date of these rules may be extended by direct appointment.

- (3) Contracts for architectural, engineering, surveying and related services using Requests for Proposals. Unless otherwise provided in this Section (4) below, contracts for Architectural, Engineering and Surveying Services and Related Services shall be awarded according to the procedures for competitive proposals described in ORS 279B.060 and these rules, and consistent with ORS 279C.110.
- (4) Contracts for architectural, engineering, surveying and related services using direct appointment. Notwithstanding any other provision governing the matter to the contrary, a contract for Architectural, Engineering Land Surveying and Related Services may be entered into by direct appointment if the value of the project is estimated not to exceed \$750,000 and the subject personal services contract is estimated not to exceed \$75,000 in a calendar year, or if the work described in the contract consists of work that has been substantially described, planned or otherwise previously studied or rendered in an earlier contract with the consultant that was awarded under these rules, and the new contract is a continuation of that project.

The procedure for entering into a personal services contract for Architectural, Engineering, Land Surveying and Related Services by direct appointment shall be a determination by the Board of Directors of Sauvie Island Drainage Improvement Company (SIDIC) that the Consultant appointed was selected from among all consultants offering the required services that SIDIC reasonably can identify under the circumstances and is best qualified to perform the services needed because of specialized experience, capabilities and/or technical competence, resources available to perform the work, record of past performance, availability to the project locale, familiarity with the project locale and proposed management techniques. SIDIC shall not solicit or use pricing policies and proposals or other pricing information to determine a Consultant's compensation, until after it has selected the most qualified Consultant.

Following selection SIDIC shall direct negotiations with the Consultant(s) selected by direct appointment 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 and Land Surveying Services or Related Services required under the Contract that is fair and reasonable to SIDIC as determined solely by SIDIC, taking into

account the value, scope, complexity and nature of the Architectural, Engineering and Land Surveying Services or Related Services; and

(c) Any other provisions SIDIC believes to be in its best interest to negotiate.

D. Delegation

- (1) Except as otherwise provided in these rules, the powers and duties of the Local Contract Review Board under the Public Contracting Code must be exercised and performed by the Board of Directors.
- (2) Unless expressly limited by the Local Contract Review Board or these rules, all powers and duties given or assigned to the contract agencies by the Public Contracting Code may be exercised or performed by the Company Manager or the Company Manager's designee, including the authority to enter into emergency contracts pursuant to ORS 279B.080.
- (3) All public contracts estimated to cost \$500.00 or more in a calendar year must be approved by the Board of Directors. All public contracts estimated to cost less than \$500.00 in a calendar year may be entered into by the Company Manager or designee without Board approval. However, emergency contracts may be entered into by either Board or the Company Manager or designee pursuant to paragraph G of these rules, regardless of dollar limits, subject to ORS 294.455.

E. Special Procurements and Exemptions

- (1) The Local Contract Review Board may exempt from competitive bidding certain contracts or classes of contracts for procurement of goods and services according to the procedures described in ORS 279B.085.
- (2) The Local Contract Review Board may exempt certain contracts or classes of contracts for public improvements from competitive bidding according to the procedures described in ORS 279C.335. When exempting a public improvement from competitive bidding, the Local Contract Review Board may authorize the contract to be awarded using a Request for Proposal process for public improvements, according to the processes described in OAR 137-049-0640 through 137-049-0690.

F. Contracts Under \$5,000

- (1) Public contracts under \$5,000 are not subject to competitive bidding requirements. The Company Manager or designee shall make a reasonable effort to obtain competitive quotes in order to ensure the best value for the Company.

- (2) The Company may amend a public contract awarded as a small procurement beyond the \$5,000 limit in accordance with OAR 137-047-0800, provided the cumulative amendments do not increase the total contract price to a sum that is greater than twenty-five percent (25%) of the original contract price.

G. Intermediate Procurements

- (1) A contract for procurement of goods and services estimated to cost between \$5,000 and \$150,000 in a calendar year, or a contract for a public improvement that is estimated to cost between \$5,000 and \$100,000 in a calendar year, may be awarded according to the processes for intermediate procurements described in ORS 279B.070.
- (2) The Company may amend a public contract awarded as an intermediate procurement beyond the stated limitations in accordance with OAR 137-047-0800, provided the cumulative amendments shall not increase the total contract price to a sum that is greater than twenty-five percent (25%) of the original contract price.

H. Methods for Awarding Contracts Using Request for Proposal Process

In making an award using the Request for Proposal process in ORS 279B.060, the Company may use any evaluation method determined to be most appropriate for the selection process, including, but not limited to, the processes described in ORS 279B.060(6)(b), as well as direct appointment of personal services contracts if direct appointment is determined to be most advantageous to the Company. The evaluation process(es) to be used shall be stated in the Request for Proposals. OAR 137-047-0261 through 137-047-0263 shall apply to evaluation of proposals.

I. Emergency Contracts

- (1) "Emergency" shall be defined as follows: "Circumstances that (a) could not have reasonably been foreseen; (b) create a substantial risk of loss, damage, or interruption of services or a substantial threat to property, public health, welfare or safety; and (c) require prompt execution of a contract to remedy the condition."
- (2) The Board Chair, the Company Manager, or a designee of the Company Manager shall have authority to determine when emergency conditions exist sufficient to warrant an emergency contract. The nature of the emergency and the method used for the selection of the contractor shall be documented.
- (3) Emergency contracts may be awarded as follows:
 - a. Goods and Services. Emergency contracts for procurement of goods and services may be awarded pursuant to ORS279B.080 and section D, "Delegation," of these rules.

- b. Public Improvements. The Company hereby adopts OAR 137-049-0150 as its contracting rules for awarding a public improvement contract under emergency conditions.

J. Disposal of Surplus Property

The Sauvie Island Drainage Improvement Company Local Contract Review Board has adopted the following rule related to Disposal of Surplus Property:

- (1) “Surplus Property” is defined as any personal property of the Company that has been determined by the Company Manager or designee as being of no use or value to the Company.
- (2) The Company Manager or designee may dispose of surplus property as follows: The Company Manager shall submit a request to the Board of Directors for a declaration that certain property is of no further use or value to the Company. The Board of Directors shall, by resolution, declare such property “surplus” and authorize the means by which the Company Manager may dispose of the property, including granting the Company Manager discretion to dispose of the property in any appropriate manner. The Board of Directors may require the Company Manager to obtain an appraisal of the property prior to disposition.
- (3) Surplus property may be disposed of in the manner that is most advantageous to the Company or the community at large, including, but not limited to, the following:
 - a. The Company may sell surplus property no longer required for Company purposes. If the Company elects to sell surplus property, the sale shall be by sealed, competitive bid or by auction unless the Contract Review Board determines that another method of sale will better serve the Company’s interests. Alternative methods of sale include without limitation sale through the State of Oregon’s surplus property program, a private entity or via an electronic auction, such as e-Bay.
 - b. The Company may transfer surplus property no longer required for Company purposes to another public or private entity if the Contract Review Board determines that the transfer will benefit interests of the Company, and that the value to the Company of the resulting transfer meets or exceeds the amount the Company would be likely to realize if the surplus property were sold.
 - c. The Company may dispose of surplus property no longer required for Company purposes by depositing it in a landfill, or otherwise disposing of it without a sale or transfer under sections (1) and (2) of the rule if the Contract Review Board determines that such disposal results in the least net cost to the Company.

- d. The Contract Review Board authorizes the Manager for the Company to sell, transfer or dispose of surplus property with a value of \$5,000 or less without prior approval from the Contract Review Board as long as the sale, transfer or disposal of the surplus property is in compliance with the above guidelines and a net cost report is submitted to the Contract Review Board at its' next scheduled meeting.

K. Sole Source Acquisitions

L. Correction and Withdrawal of Bids

M. Negotiation with Lowest Bidder When all Bids for Public Improvement Contract Exceed Cost Estimate

N. Protests Relating to Procurement of Goods and Services

O. Appeals of Prequalification Decisions and Debarment Decisions

- (1) Review of the Company's prequalification and debarment decisions shall be as set forth in ORS 279B.425. Pursuant to ORS 279B.425(5), the Sauvie Island Drainage Improvement Company Local Contract Review Board has adopted the following rule related to Appeals of Prequalification Decisions and Debarment Decisions:
 - a. Notices shall be submitted in writing to the Company Manager. Appeals filed after the filing period stated in ORS 279B.425 shall not be heard.
 - b. Upon opening of the hearing, Company staff shall explain the Company's decision being appealed and the justification thereof. The appellant shall then be heard. Time for the appellant's testimony shall be established by the Board Chair. The appellant may submit any testimony or evidence relevant to the decision or the appeal. Any party requesting time to testify in support of the appeal shall then be heard, subject to time limits established by the Board Chair.
 - c. Once all testimony and evidence in support of the appeal is heard, any party requesting time to testify in support of the Company's decision shall be provided time to be heard with time limits established by the Board Chair. Any party testifying in opposition to the appeal may submit any testimony or evidence relevant to the decision or the appeal. Once all testimony in opposition to the appeal has been heard, the appellant may request time to provide rebuttal testimony. At the conclusion of the rebuttal testimony, if any, the Board Chair shall close the hearing.

- d. When issued in writing according to the requirements of ORS 279B.425, the Company's decision and order shall be final.

P. Concession Agreements

- (1) A "concession agreement" is a contract that authorizes and requires a private entity or individual to promote or sell, for its own business purposes, specified types of goods or services from a site within a building or upon land owned by the Company, and under which the concessionaire makes payments to the Company based, in whole or in part, on the concessionaire's sales revenues. The term "concession agreement" does not include an agreement which is merely a flat-fee or per-foot rental, lease, license, permit, or other arrangement for the use of public property.
- (2) Concession agreements are not required to be competitively bid. However, when it is in the Company's best interests to do so, the Company may obtain competitive proposals for concession agreements using the procedures described in ORS 279B.060.

Q. Purchase from Federal Catalogs

The Sauvie Island Drainage Improvement Company Local Contract Review Board has adopted the following rule related to Purchase from Federal Catalogs:

Subject to applicable Board approval requirements stated in the Company's Contracting Rules, the Company may purchase goods from federal catalogs without competitive bidding when the procurement is pursuant to 10 USC 381, the Electronic Government Act of 2002 (Public Law 107-347). Purchases under the other federal laws will be permitted upon finding by the Local Contract Review Board that the law is similar to such Act in effectuating or promoting transfers of property to contracting agencies.