EDDYVILLE CHARTER SCHOOL

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SECTION D: FISCAL MANAGEMENT

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The following symbol is used on some policies:

** As used in this policy, the term parent includes legal guardian or person in a parental relationship. The status and duties of a legal guardian are defined in ORS 125.005(4) and 125.300 - 125.325. The determination of whether an individual is acting in a parental relationship, for purposes of determining residency, depends on the evaluation of the factors listed in ORS 419B.373. The determination for other purposes depends on evaluation of those factors and a power of attorney executed pursuant to ORS 109.056. For special education students, parent also includes a surrogate parent, an adult student to whom rights have transferred and foster parent as defined in OAR 581-015-2000.
Funding Proposals and Applications

The public charter school may pursue federal, state or private grants or other such funds that will assist the public charter school in meeting adopted Board and public charter school goals.

Proposals for external funds that require matching resources will be submitted to the Board for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the Board, the superintendent is authorized to use his or her judgment in approving it for submission. The superintendent will review the proposal with the Board at its next regular meeting. The Board reserves the right to reject funds associated with any grant which has been approved.

The Board shall, before an acceptance of such funds, consider the public charter school's obligations, expectations or encumbrances when the grant ceases.

END OF POLICY

Legal Reference(s):
ORS 294.305 to -294.565
ORS 338.115(2)
Investment of Funds

The public charter school board may authorize the investment or reinvestment of funds which are not immediately needed for operation of the public charter school. Such investments will comply with state law and Oregon Administrative Rules.

The public charter school superintendent in cooperation with Linn Benton Lincoln Education Service District will develop criteria for the appropriate investments of public charter school funds. A progress report of investments will be made to the public charter school board on a regular basis.

END OF POLICY

Legal Reference(s):

ORS 338.115(2)
Eddyville Charter School

Bonded Employees and Officers

All public charter school employees responsible for funds, fees, cash collections or inventory control will be bonded to protect the public charter school against loss in an amount determined by the Board and upon recommendation of the public charter school's agent-of-record. In compliance with Oregon statutes and administrative rules, the superintendent, custodian of funds and other individuals as deemed necessary by the Board, will have individual fidelity bond coverage or equivalent crime coverage. The public charter school will pay the cost of such coverage.

END OF POLICY

Legal Reference(s):

ORS 328.441
ORS 332.525
ORS 338.115(2)(13)
Financial Reports and Statements

The Board will receive and accept monthly financial reports that include estimates of expenditures for the general fund in comparison to budget appropriations, actual receipts in comparison to budget estimates and the public charter school's overall cash condition. Supplementary reports on other funds or accounts will be furnished upon request of the Board or superintendent.

The Board may receive a preaudit report from the superintendent recapping the year-end closure of financial statements prior to the annual audit.

Appropriate staff will be available at any Board meeting, upon the Board’s request, to respond to questions and to present current financial information. The superintendent will notify the Board at any time of substantial deviations in the anticipated revenues and/or expenditures.

END OF POLICY

Legal Reference(s):

ORS 294.155 ORS 328.465 ORS 338.095(2)
ORS 294.311 OAR 162-010-0000 to -0330 OAR 162-040-0000 to -0160
ORS Chapter 297 OAR 581-023-0037

OR. DEP’T OF EDUC, PROGRAM BUDGET AND ACCOUNTING MANUAL.
The function of public charter school purchasing is to serve the educational program by providing the necessary supplies, equipment and services. Items commonly used will be standardized whenever consistent with educational goals and in the interest of efficiency or economy.

The superintendent is appointed by the Board to serve as purchasing agent. He/She will be responsible for developing and administering the public charter school’s purchasing program.

No obligation may be incurred by any officer or employee of the Board unless that expenditure has been authorized in the budget or by Board action and/or Board policy. In all cases calling for the expenditure of public charter school money, except payrolls, a requisition and purchase order system must be used.

No purchase with the exception of a petty cash purchase will be authorized unless covered by an approved purchase order. No bills will be approved for payment unless purchases were made on approved orders.

The superintendent or designee is authorized to enter into and approve payment on contracts obligating public charter school funds not to exceed $5,000 for products, materials, supplies, capital outlay and services that are within current budget appropriations. The Board shall approve all contracts that are collective bargaining agreements or service contracts that include the provision of labor performed by public charter school employees, such as custodial, food service and transportation services.

The superintendent will review bills due and payable for the purchase of supplies and services to determine if they are within budget amounts. After appropriate administrative review, the superintendent will direct payment of the just claims against the public charter school. The superintendent is responsible for the accuracy of all bills and vouchers.

No Board member, officer, employee or agent of this public charter school shall use or attempt to use his or her official position to obtain financial gain or for avoidance of financial detriment for himself or herself, a relative or for any business with which the Board member or a relative is associated.

Acceptance of any gratuities, financial or otherwise, from any supplier of materials or services to the public charter school by any Board member, officer or employee of the public charter school is prohibited.

END OF POLICY
Legal Reference(s):

ORS 244.040
ORS Chapters 279, 279A, 279B, 279C
ORS 294.311
ORS 328.441 to -328.470
ORS 338.115(2)

OAR 125-025-0040

Cross Reference(s):

BBA - Board Powers and Duties
BBFA - Board Member Ethics and Conflicts of Interest
DJC - Bidding Requirements
Petty Cash Accounts

Petty cash funds will be established annually in the amount of $200. Such funds will be used for the payment of properly itemized bills of nominal amounts and under conditions calling for immediate payment. Allowances, responsibility, security and accounting of petty cash funds will be in accordance with Board policy and requirements of law.

END OF POLICY

Legal Reference(s):

ORS 294.311
ORS 338.115(2)

OR. DEP’T. OF EDUCATION, PROGRAM BUDGET AND ACCOUNTING MANUAL.

Cross Reference(s):

DIC - Financial Reports and Statements
Bidding Requirements

The Board is the Local Contract Review Board (LCRB) for the public charter school. All public contracts shall be invited in accordance with applicable competitive procurement provisions of Oregon Revised Statutes and adopted public contracting rules.

The Board, acting as its own LCRB, adopts the Oregon Attorney General's Model Public Contract Rules, OAR Chapter 137, Divisions 046 through 049 in effect at the time this policy is adopted.

The public charter school shall procure the construction manager/general contractor services in accordance with model rules the Attorney General adopts under ORS 279A.065(3).

Additionally, the Board may include as part of its rules portions of the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125, Divisions 246-249 in effect at the time this policy is adopted.

Where necessary, the Board has made the written findings required by law for exemptions from competitive bidding. Such findings shall be maintained by the public charter school and made available on request.

The public charter school shall review its rules each time the Attorney General adopts a modification of the model rules, as required by ORS 279A.065 (5)(b), to determine whether any modifications need to be made to public charter school rules to ensure compliance with statutory changes. New rules, as necessary, shall be adopted by the Board. In the event it is unnecessary to adopt new rules, Board minutes will reflect that the review process was completed as required.

The Board recognizes that a public contracting agency that has not established its own rules of procedure as permitted under ORS 279A.065 (5) is subject to the model rules adopted by the Attorney General, including all modifications to the model rules that the Attorney General may adopt.

Procurements estimated to be in excess of $250,000 shall go through the cost analysis and feasibility process described in ORS 279B.

END OF POLICY

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1Public Contracts shall be governed by ORS Chapter 279, 279A, 279B and 279C. Additionally, the Board may, as provided by ORS 279A.065, adopt the Oregon Attorney General's Model Public Contract Rules, OAR Chapter 137 governing purchasing/bid procedures. The Board may also adopt the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125. The Board may adopt portions of those rules or adopt its own rules. A Board that has not established its own rules of procedure for public contracts is subject to the model rules (OAR Chapter 137) adopted by the Attorney General.
Legal Reference(s):
ORS Chapters 279, 279A, 379B and 279C
ORS 338.115
OAR Chapter 125, Divisions 246-249

OR. DEP’T OF JUSTICE, OR. ATT’Y GENERAL’S MODEL PUBLIC CONTRACT RULES MANUAL.

Cross Reference(s):
DJ - Public Charter School Purchasing
Special Procurements and Exemptions from Competitive Bidding

SPECIAL PROCUREMENTS

The public charter school shall submit a written request to the Board, acting as the Local Contract Review Board (LCRB), that describes the contracting procedure, the goods and services or class of goods and services that are the subject of the special procurement and circumstances that justify the use of a special procurement under the standards as follows: the special procurement is unlikely to encourage favoritism in the awarding of a public contract or to substantially diminish competition for public contracts and, (A) is reasonably expected to result in substantial cost savings to the public charter school or to the public, or (B) otherwise substantially promote the public interest in a matter that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065, 279B.070 or under any related rules. Public notice of the approval of a special procurement must be given in the same manner as provided in ORS 279B.055(4). If the public charter school intends to award a contract through special procurements that calls for competition among prospective contractors, the public charter school shall award the contract to the contractor it determines to be most advantageous to the public charter school. When the LCRB approves a class special procurement the public charter school may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for a special procurement.


a. The public charter school may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.

b. Solicitation specifications for public contracts of the public charter school shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections c. and d. of this rule.

c. The public charter school may specify a particular brand name or equal specification when the use of a brand name or equal specification is advantageous to the public charter school, because the brand name describes the standard of quality, performance, functionality and other characteristics of the product needed by the public charter school.

(1) The public charter school is entitled to determine what constitutes a product that is equal or superior to the product specified, and any such determination is final;

(2) The public charter school is not prohibited from specifying one or more comparable products as examples of the quality, performance, functionality or other characteristics of the product needed by the public charter school;

(3) A brand name specification may be prepared and used only if the public charter school determines for a solicitation or class of solicitations that only the identified brand name specification will meet the needs of the public charter school based on one or more of the following written determinations:
(a) The use of a brand name specification is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; or

(b) Specification of the brand name, mark or product would result in cost savings to the public charter school; or

(c) There is only one manufacturer or seller of the product of the quality, performance or functionality required; or

(d) The efficient utilization of existing goods requires the acquisition of compatible goods and services.

d. The public charter school may award a contract for goods or services without competition when the LCRB determines in writing that the goods or services, or the class of goods or services, are available from only one source. The determination of the source must be based upon written findings that shall include:

(1) A brief description of the contract or contracts to be covered, including contemplated future purchases;

(2) Description of the product or service to be purchased; and

(3) The reasons the public charter school is seeking this procurement method, which shall include any of the following:

(a) That the efficient utilization of existing goods requires the acquisition of compatible goods or services; or

(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; or

(c) That the goods or services are for use in a pilot or an experimental project; or

(d) To the extent reasonably practical, the contracting agency shall negotiate with the sole source to obtain contract terms advantageous to the contracting agency.

e. The public charter school may specify a product or service available from only one manufacturer but available through multiple sellers after complying with subsection c. above documenting the procurement file with the following information:

(1) If the total purchase is over $5,000 but does not exceed $150,000, and a comparable product or service is not available under an existing Mandatory Use Contract, the public charter school must obtain informal competitive quotes, bids or proposals and document this process in the procurement file;

(2) If the purchase does not exceed $150,000, and the supplies or services are not available under an existing price agreement for information technology with competing products or Mandatory Use Contract, the public charter school must first request and obtain prior written authorization from the LCRB to proceed with the acquisition.

f. If the public charter school intends to make several purchases of brand name-specific supplies and services from a particular manufacturer or seller for a period not to exceed five years, the public charter school must so state this in the procurement file and in the solicitation document, if any, or a public notice of a solicitation. If the total purchase amount is estimated to exceed $150,000, this shall be stated in the advertisement for bids or proposals.
Findings of Fact/Conclusion of Compliance with Law (OAR 125-247-0275)

The public charter school shall submit a written request to the local contract review board that describes the contracting procedure, goods and services subject of the special procurement and the circumstances that justify the use of the special procurement.

a. It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts and is reasonably expected to result in substantial cost savings to the public charter school which could not be realized under ORS 279B.055, 279B.060, 279B.065 or 279B.070 as required by ORS 279B.085(4).

b. Public notice of the approval must be given in the same manner as provided in ORS 279B.055(4).

c. This rule requires the public charter schools to make a good faith effort to determine that no other sources are available for the specified products.

d. The public charter school maintains open lists from which vendors are contacted for quotations and utilizes electronic means of determining new vendors on an ongoing basis.

e. The awarding of a contract as described in this special procurement should result in substantial cost savings by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost.

f. When the local review board approves a class special procurement the public charter school may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for procurement.

2. Advertising Contracts, Purchase of

a. The public charter school may purchase advertising in any media, regardless of a dollar amount, without competitive bidding.

b. The Board acting as the LCRB of the public charter school must use competitive methods whenever possible to achieve best value and must document in the procurement file the reasons why a competitive process was deemed impractical and the resulting contract must be in writing.

c. If the anticipated purchase exceeds $5,000 and a competitive method is used, the public charter school must post notice on the Oregon Procurement Information Network (ORPIN).

Findings of Fact

The public charter school traditionally purchases advertising in newspapers. The following findings relate primarily to newspapers and written publications; however, the public charter school may also purchase advertising for student activities or educational programs in other media, such as radio or television, where these findings apply:

a. By their nature, media sources are generally unique. Advertisements are placed in a particular source because of the specific audience that source serves;

b. Competition to furnish advertising space in daily newspapers of general, trade or business circulation in the vicinity of the public charter school is limited;

c. Cost savings are difficult to quantify where the sources are unique and not interchangeable;

d. Advertisements may be placed to satisfy legal notice or Board policy requirements;
e. Other published advertisements or notices, such as routine public notices, personnel recruitment information, etc., are placed in one or more of the publications of general circulation in the local area and other publications, as appropriate;

f. The communities served by the public charter school rely upon its use of the local daily newspaper as a central source of news and information regarding public charter school activities;

g. It is unknown whether contracts for advertisements placed with radio, television or other broadcast media are going to result in cost savings if not placed for competitive bid or request for proposal (RFP). If possible, savings could be obtained through competitive means, the public charter school would attempt to obtain competitive quotes or bids, as appropriate.

Conclusion of Compliance with Law

Due to limited competition and unique nature of sources, it is unlikely that this class special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Further, any contracts awarded under this class special procurement would result in a cost savings available to the public charter school where the public charter school can achieve volume savings through contracts for advertising with a particular media source, or otherwise substantially promote the public interest.

3. Advertising Contracts, Sale of

The public charter school may sell advertising for public charter school publications and activities, regardless of a dollar amount, without competitive bidding, including school newspapers, yearbooks, athletic programs, drama or music programs and the like.

Findings of Fact

Sales of advertising for student activities are generally other fund revenues, where student groups solicit advertisements from local businesses to help with the cost of the activity itself. A common example is the sale of advertising in school newspapers and yearbooks. The circulation of the newspaper and yearbook is limited to the students, teachers, parents and interested members of the community associated with the activities of that particular school. Due to the limited circulation and audience, the businesses that participate by purchasing advertising do so partly in the spirit of good will. Any business is welcome to place an advertisement in the school newspaper or yearbook; all it needs to do is to contact any public charter school department which publishes one. The public charter school itself would not achieve any increased revenue to the General Fund by seeking competitive bids or proposals for such advertising. This holds true for other student activities, such as athletics, drama or music events and the like.

Conclusion of Compliance with Law

These findings indicate that it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Any business or individual who wishes to advertise in this manner may do so by simply contacting the student group responsible for the activity.
The sale of advertising for student activities such as school newspapers, yearbooks, athletic, drama or music programs would not benefit from competitive procurement. Such a requirement would place an unnecessary burden on the student group’s activity and there is no financial advantage to the public charter school in doing so. Consequently, the cost savings test is not an issue.

4. Equipment Repair and Overhaul

a. The public charter school may enter into a public contract for equipment repair or overhaul without competitive bidding, subject to the following conditions:

   (1) Service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing; or
   (2) Service or parts required are for sophisticated equipment for which specially trained personnel are required and such personnel are available from only one source; and
   (3) The purchase is made within the limits and pursuant to the methods in subsection b. of this rule.

b. The following limitations apply to this rule:

   (1) If the contract is less than or equal to $150,000, the school or department shall submit in writing to the superintendent or designee the reasons why competitive bids or quotes are deemed to be impractical. The superintendent or designee will accordingly document in its procurement file and may enter directly into the contract;
   (2) If the school or department official thinks the contract may exceed $150,000, he/she shall submit in writing to the superintendent or designee the reasons why competitive bidding is deemed to be impractical and a description of the cost savings to be obtained by a special procurement. The superintendent or designee may prepare a specific request for the anticipated contract to be obtained through special procurement procedures to submit to the LCRB for approval.

Findings of Fact

a. The need for equipment repair or overhaul cannot be anticipated by public charter school staff. If a piece of equipment is broken or not working properly, the public charter school incurs cost of downtime, possible replacement equipment rental fees, staff time and other inconveniences or liabilities to its programs.

b. Generally, there are a limited number of vendors who are able to perform repair or overhaul on a particular piece of equipment because of its make or manufacture. Sophisticated equipment may require specially trained personnel available from only one source. Often, a piece of equipment will have a partial warranty in place which will guarantee some savings to the public charter school in the parts and/or labor needed to do the repair or overhaul. This warranty savings may only be achieved if the original manufacturer or provider of the equipment performs the necessary repair or overhaul.

c. The dollar limits on the use of this special procurement procedure ensure that when the cost of the equipment repair or overhaul is expected to exceed $150,000, the public charter school will either seek formal competitive bids or, if that is not practical or cost effective, obtain a specific special procurement procedure from the LCRB to proceed with the purchase of the needed repair or overhaul.
Conclusion of Compliance with Law

It is unlikely that this special procurement procedure will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts because the dollar limits incorporated into this special procurement when the anticipated costs exceed $150,000, insure the public charter school will seek formal competitive bids and proposals. If the formal process is not practical, the public charter school will obtain a specific exemption from the LCRB to proceed with the purchase of the needed repair or overhaul.

The awarding of public contracts under this special procurement will result in a cost savings to the public charter school, as required by ORS 279B.085, because the public charter school incurs direct and indirect costs from the moment equipment breaks down or becomes unusable. This special procurement only applies to equipment already owned by the public charter school and does not provide for the purchase of new equipment. The public charter school must be able to purchase necessary services and parts as quickly as possible in order to minimize equipment downtime and potential costs during that downtime.

5. Copyrighted Materials

The public charter school may, without competitive bidding and regardless of a dollar amount, purchase copyrighted materials where there is only one known supplier available for such goods. Examples of copyrighted materials covered by this special procurement procedure may include, but are not necessarily limited to, newly adopted textbooks/instructional materials, workbooks, curriculum kits, reference materials, audio and visual media and non-mass-marketed software from a particular publisher or their designated distributor.

Findings of Fact

a. By their nature, copyrighted materials are protected for the use of a single owner. Copyrighted materials may not be duplicated by others without the copyright owner’s permission or license. Copyrights are established and regulated under federal law.

b. Often, copyrighted materials are produced by only one supplier who may be the owner of the copyright or his/her licensee. Textbooks/Instructional materials are examples of copyrighted materials that the public charter school purchases through a sole source. Textbooks/Instructional materials are adopted through a statewide process under the authority of the Oregon Department of Education. A textbook/Instructional material adoption defines the various materials which the public charter school will purchase for use in its educational programs.

The public charter school purchases its textbooks/instructional materials through the Northwest Textbook Depository. This practice enables the regional textbook depository to purchase and warehouse textbooks/instructional materials in conformance with adoptions made in the states of their region. The result is that savings are achieved through the depository’s combined purchases on behalf of members. Freight costs for individual public charter schools are reduced by the bulk purchases of the depository and the depository takes on the cost of stocking and warehousing enough to meet each members’ needs.
The system of textbook/instructional materials distribution enables the public charter school to participate in the largest possible bulk purchasing activity of adopted textbooks/instructional materials in the region. This ensures a cost savings to the public charter school. A savings that would be jeopardized if the public charter school was to act as an individual purchaser.

Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in the awarding of public contracts. The production and distribution of copyrighted materials is controlled by the owner of the copyright and may only be permitted through a sole source. The public charter school has no control over this.

The awarding of contracts pursuant to this special procurement will result in a cost savings to the public charter school when it needs to purchase copyrighted materials and there is only one known supplier for such goods, or otherwise substantially promote the public interest.

6. Product Prequalification

   a. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the public charter school may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:

      (1) The public charter school will make reasonable efforts to notify all known manufacturers and vendors of competing products of the public charter school’s intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the public charter school’s list of prequalified products. At its discretion, the public charter school may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the public charter school may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the public charter school; and

      (2) The public charter school will accept manufacturer and vendor applications to include products in the public charter school’s list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the public charter school’s written notice.

   b. If the public charter school denies an application for including a product on a list of prequalified products, the public charter school shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a written appeal within 7 calendar days to the public charter school superintendent to request review and reconsideration of the denial.
Findings of Fact

a. There are occasions when the public charter school needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The public charter school may have a specific performance or design need, but it is impractical for the public charter school to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex and constantly changing. It would be very burdensome and time consuming for the public charter school to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the public charter school’s specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and public charter school programs, because staff are not able to order the equipment they need until the contract is awarded.

In this case, it might be more cost effective and efficient for the public charter school to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

b. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the public charter school must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.

c. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The public charter school maintains vendor mailing lists which are open to all interested vendors. The public charter school uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.

d. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.

e. Subsection b., of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

Conclusion of Compliance with Law

Where prequalification of products is appropriate, it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or diminish competition for such contracts. There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.
The prequalification of products process is a time-consuming effort for the public charter school. It is not a shortcut procurement method. The public charter school would use this method only after balancing cost-saving considerations, such as the ability of the public charter school to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to a contract award. If the prequalification method is chosen, it will result in a cost savings to the public charter school because the normal method of product selection is too cumbersome and costly to pursue, or otherwise substantially promote the public interest.

7. Requirements Contracts (Blanket Purchase Orders, Price Agreements)\(^1\)

- a. The superintendent, on behalf of the public charter school, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining public charter school requirements for volume discounts, standardization among school and departments and reducing lead time for ordering.

- b. The public charter school may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.

- c. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.

- d. School and departments shall use requirements contracts established by the public charter school, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.

- e. Under the authority of ORS 279A.025 and 279B.085, the public charter school may use the requirements contracts entered into by another Oregon public agency when:

  1. The original contract met the requirements of public contracting code; and
  2. The original contract allows other public agency usage of the contract; and
  3. The original public contracting agency concurs and this is documented by a written interagency agreement between the public charter school and the agency.

- f. The term of any public charter school requirements contract, including renewals, shall not exceed five years unless otherwise permitted under the public contracting code.

Findings of Fact

- a. This rule permits the public charter school to enter into a requirements contract, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or

\(^1\)The Oregon Procurement Information Network (ORPIN) allows authorized members to utilize the state's price agreement/contracts to purchase goods and services. Authorized ORCPP members can legally attach to a state price agreement and forego the competitive bid process. Access to hundreds of competitive price contracts for a wide variety of goods and services: vehicles, computers, furniture, copiers, fax machines, travel, pharmaceuticals, office products, etc., is available. Counties, cities, schools, municipalities or their public corporate entities having local governing authority, a United States governmental agency or American Indian tribe or agency are eligible to participate.

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services are routine and repetitive. For example, school, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.

b. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among schools and departments and reducing lead time for ordering.

c. The public charter school establishes a requirements contract as a result of open competitive bidding or RFP processes, unless otherwise permitted under the public contracting code.

d. The public charter school limits the term of a requirements contract, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise permitted under the public contracting code.

e. The public charter school may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this special procurement will result in favoritism in the awarding of public contracts or diminish competition for such contracts. The public charter school will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of public charter school requirements contracts will result in a cost savings to the public charter school, or otherwise substantially promote the public interest. It would be costly and inefficient to make routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the public charter school to get better prices from bidders.

8. Used Personal Property or Equipment, Purchase

a. Subject to the provisions of this rule, the public charter school may purchase used property or equipment without obtaining competitive bids or quotes, if the public charter school has determined that the purchase will result in cost savings to the public charter school and will not diminish competition or encourage favoritism. “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 public charter school purchase. Used personal property or equipment generally does not include property or equipment if the public charter school was the previous user, whether under a lease, as part of a demonstration, trial or pilot project or similar arrangement.

b. For purchases of used personal property or equipment costing less than or equal to $150,000, the public charter school shall, where feasible, obtain three competitive quotes unless the public charter school has determined and documented that a purchase without obtaining competitive quotes will result in cost savings to the public charter school and will not diminish competition or encourage favoritism.

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3When contracting with another governmental entity, a public charter school has a statutory exception under ORS 279A.025. The public charter school may purchase state/federal surplus property through the Department of Administrative Services, State Services Division for Surplus Property. For more information on this program, contact DAS at 503-378-4714.

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c. For purchases of used personal property or equipment totaling $150,000 or more, the public charter school shall attempt to obtain three competitive quotes. The public charter school will keep a written record of the source and amount of quotes received. If three quotes are not available, a written record must be made of the attempt to obtain quotes.

Findings of Fact

a. The public charter school is responsible to manage expenditures in the best interests of the public. Cost savings can be achieved through the procurement of used property and equipment. The public charter school purchases used property and equipment when it meets the public charter school’s needs and is cost effective. Considerations include type, quality, quantity and estimated useful life of the used item.

b. Used equipment and property becomes available sporadically and without notice. Used equipment and property is generally sold on a first-come, first-served basis. When used property or equipment does become available, the public charter school must be able to respond immediately in order to obtain the property or equipment.

c. Some types of property or equipment may not be readily available in the new goods market. The public charter school may have to look for used items to fill the need.

d. Competition to provide used property and equipment may be very limited and inconsistent, depending on the type of product.

e. The public charter school maintains vendor lists which include information on whether a vendor provides used property or equipment. These lists are open to all vendors.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts. The purchase of used property or equipment depends on an inconsistent, sporadic market. When a used item is available, there is often little competition available. Sources for used items of the type, quality and quantity required by the public charter school are inconsistent. This rule requires the public charter school to attempt to obtain and document quotes as appropriate to the dollar amount of the purchase. If the anticipated purchase is over $150,000, the public charter school will advertise its need.

The use of this special procurement will result in a cost savings to the public charter school, or otherwise substantially promote the public interest. The cost of used equipment or property is generally substantially less than that of new. Savings of 20 percent to 50 percent are not uncommon. Used equipment can provide good value to the public charter school and help ensure the continuation of public charter school services and programs.

9. Information Technology Contracts

The public charter school may enter into a contract to acquire information technology hardware and software without competitive bidding subject to the following conditions:

a. If the contract amount does not exceed $150,000, the public charter school shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The public charter school shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but the
public charter school shall make a written record of the effort made to obtain the quotes or proposals.

b. If the contract amount exceeds $150,000, the public charter school shall determine and use the best procurement method, pursuant to the public contracting code and these rules, and shall solicit written proposals in accordance with the requirements of the Attorney General’s Model Public Contract Rules. The public charter school shall document the evaluation and award process, which will be part of the public record justifying the award;

c. If the amount of the contract is estimated to exceed $150,000, the public charter school shall provide proposers an opportunity to review the evaluation of their proposals before final selection is made.

Findings of Fact

a. Rapid changes in technology make it necessary for the public charter school to be able to purchase needed computer equipment quickly.

b. Pricing for high-technology equipment also changes rapidly. It is frequently possible to take advantage of frequent price changes in the marketplace in the purchase of computer equipment.

c. There is generally sufficient competition among vendors of information technology hardware and software for public charter school business.

d. The public charter school will follow rules governing special procurements and obtain at least three informally solicited quotes for purchases less than or equal to $150,000.

e. If the public charter school requires a brand name or sole source product, the public charter school will follow its rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements, to procure it.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the award of public charter school contracts or substantially diminish competition for public charter school contracts. The purchase of information technology hardware and software will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over $150,000, the public charter school will advertise its need.

The use of this special procurement will result in a cost savings to the public charter school, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of information technology hardware and software. This rule gives the public charter school some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

10. Telecommunications Systems - Hardware and Software Contracts

a. The public charter school may enter into a contract to acquire telecommunications system hardware and software, without competitive bidding, subject to the following conditions:

(1) If the contract amount does not exceed $150,000, the public charter school shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The public charter school shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available,
fewer will suffice, but the public charter school shall make a written record of the effort made to obtain the quotes or proposals.

(2) If the contract amount exceeds $150,000, the public charter school shall determine and use the best procurement method, pursuant to the public contracting code and these rules and shall solicit written proposals in accordance with the requirements of Chapter 137, Divisions 047 and 049 of the Attorney General’s Model Public Contract Rules. The public charter school shall document the evaluation and award process, which will be part of the public record justifying the award.

b. The telecommunications solicitation authorized in subsection 10.a.(1) of these rules shall:

(1) State the contractual requirements in the solicitation document;
(2) State the evaluation criteria to be applied in awarding the contract and the role of any evaluation committee. Criteria that would be used to identify the proposal that best meets the public charter school’s needs may include, but are not limited to, cost, quality, service and support, compatibility, product or system reliability, vendor viability and financial stability, operating efficiency and expansion potential;
(3) State the provisions made for bidders or proposers to comment on any specifications which they feel limit competition; and
(4) Be advertised in accordance with applicable provisions of the public contracting code.

Findings of Fact

a. Rapid changes in technology make it necessary for the public charter school to be able to purchase needed telecommunications hardware and software quickly.

b. Since deregulation, there is generally adequate competition among vendors of telecommunication hardware and software to allow the public charter school to make competitive purchases.

c. Pricing for telecommunications hardware and software also changes frequently. It is important for the public charter school to take advantage of price competition in the marketplace.

d. The public charter school will follow procedures governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases over $10,000 but less than or equal to $150,000.

e. If a purchase of telecommunications hardware or software is expected to cost more than $150,000, the public charter school will use a formal competitive bidding or proposal process in accordance with these rules and the Attorney General’s Model Public Contract Rules.

f. There are also times when the public charter school needs to purchase specific items that are compatible with current equipment. On these occasions, the public charter school will follow its rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements, to make the purchase.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. The purchase of telecommunications hardware and software will be made in accordance with other competitive bidding rules herein. If the anticipated purchase is over $150,000, the public charter school will advertise its need.
The use of this special procurement will result in a cost savings to the public charter school, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the public charter school some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

11. Telecommunications Services

a. The public charter school shall secure the most competitive, cost-effective telecommunications services of the quality needed to meet all service performance requirements while minimizing administrative and service delivery costs. The public charter school will use routine purchasing procedures whenever possible, but if necessary, the public charter school can consider alternative procurement methods in accordance with this rule.

The public charter school will generally follow the normal competitive procurement processes in obtaining telecommunications services. This process will only be used if necessary where there is a lack of sufficient competition to furnish needed services.

b. In determining the appropriate procurement method for telecommunications services, the public charter school shall comply with the requirements of ORS 291.038 and determine whether competition exists. In determining whether competition exists, the public charter school may consider the following factors:

1. The extent to which alternative providers exist in the relevant geographic and service market; the greater area of Lincoln County;
2. The extent to which alternative services offered are comparable or substitutable in technology, service provided and performance. For example, if the public charter school requires digital services, analog services are not comparable or substitutable. If the public charter school requires fiber optic technology, then copper, microwave or satellite transmission technology may not be comparable or substitutable;
3. The extent to which alternative providers can respond to the public charter school’s interest in consistency and continuity of services throughout its service area, volume discounts, equitable service for all users, centralized management and limiting public charter school liability. For example, to be considered as the public charter school’s long-distance service provider, any long-distance service vendor must be able to meet, support and interface with the public charter school’s centralized automated billing requirements. The public charter school must document for the record, its findings on these factors or any other factors used in determining whether competition exists. In developing its findings, the public charter school may solicit the information either through informal telephone or written contacts or through a formal solicitation such as a RFP.

c. If the public charter school determines that competition does not exist in the area for the relevant service, the public charter school may proceed to secure the service on a sole source basis, as described in the public charter school’s rule governing Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section 1. under Special Procurements.
Findings of Fact

a. Since deregulation, there is generally adequate competition among vendors of telecommunication services to allow the public charter school to make competitive procurements.
b. Since there is competition, price competition exists in the marketplace. It is important for the public charter school to take advantage of existing competition.
c. The public charter school will follow its rules governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases less than or equal to $150,000. The public charter school shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but the public charter school shall make a written record of the effort made to obtain the quotes or proposals.
d. If a purchase of service is expected to cost more than $150,000, the public charter school will use a formal competitive bidding or proposal process in accordance with these rules and the Attorney General's Model Public Contract Rules.
e. There may be occasions where there is limited competition that can furnish telecommunications services of the quality and extent required by public charter school operations. In such instances, the public charter school will follow this rule and also its rule governing Brand Names or Products, "Or Equal," Single Seller and Sole Source, Section 1. under Special Procurements, to procure needed services from the sole source.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Routinely, the purchase of telecommunications services will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over $150,000, the public charter school will advertise its need, issue a written solicitation document and invite written bids or proposals to be furnished in response.

There may be circumstances, however, where sufficient competition does not exist in the relevant geographic and service market area. In such cases, the public charter school will follow this rule in determining whether sufficient competition exists to make a competitive procurement.

The use of this special procurement will result in a cost savings to the public charter school, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the public charter school some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur. The rule also states the steps to be taken to document situations where sufficient competition may not exist and a sole source purchase needs to be made.

12. Hazardous Material Removal; Oil Cleanup

a. The public charter school may enter into public contracts without competitive bidding, regardless of a dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted to the Oregon Department of Environmental Quality (DEQ) under ORS
Chapter 466, especially ORS 466.605 through 466.680. In exercising its authority under this exemption, the public charter school shall:

(1) To the extent reasonable under the circumstances, encourage competition by attempting to make informal solicitations or to obtain informal quotes from potential suppliers of goods and services;

(2) Make written findings describing the circumstances that require the cleanup or maintain a copy of the DEQ order for the cleanup;

(3) Record the measures taken under A.1. of this rule to encourage competition, the amount of the quotes or proposals obtained, if any, and the reason for selecting the contractor to whom award is made.

b. The public charter school shall not contract pursuant to this special procurement in the absence of an order from the DEQ to clean up a site which includes a time limit that would not allow the public charter school to hire a contractor under normal competitive bidding procedures. Goods and services to perform other hazardous material removal or cleanup will be purchased in accordance with normal competitive bidding procedures as described in Board policy with this administrative regulation.

Findings of Fact

a. When the DEQ orders a public agency to remove or clean up hazardous material or oil, the public agency must respond within a very short time, which is stated in the DEQ order. This time period does not generally allow the agency to take the time necessary to solicit written bids or proposals for the work to be performed. The public charter school would be liable for any delay in responding to DEQ orders to perform hazardous material removal or cleanup.

b. This exemption will not be used in those situations where there is no DEQ order to remedy the situation. Routine competitive procurement methods will be used where there is no DEQ order to act immediately. The public charter school maintains open lists of vendors who are interested in providing hazardous material removal and cleanup services. Whenever it needs hazardous material removal or disposal, the public charter school makes use of these lists to solicit quotes, bids or proposals as needed, in addition to advertising the procurement as required.

c. Cost savings are achieved through this exemption because the public charter school can be liable for DEQ penalties and fines if it does not timely remove hazardous materials or oil as ordered. There is also serious risk in these situations, that property damage or personal injury could result if the public charter school is slow to act.

Conclusions of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279B.085 (3)(a). If it is under DEQ order to act immediately, the public charter school will still attempt to obtain competitive quotes for the work to be performed as it has the ability and time to do so. Unless the public charter school is faced with the quasi-emergency situation of a DEQ order to remove or clean up hazardous waste or oil, it will follow normal competitive procedures to obtain these services.
The award of public contracts pursuant to this special procurement will result in a cost savings to the public charter school in these situations, as required by ORS 279B.085 (3)(b), because the public charter school must comply with the law and avoid and minimize risk to persons and property. Where possible, it will seek competitive quotes for the work to be performed and will award the contract to the lowest, responsive and responsible bidder.

13. Renegotiation of Existing Contracts with Incumbent Contractors

a. The public charter school may amend or renegotiate contracts with existing vendors, service providers or other parties subject to the limitations of this rule.

b. The public charter school has determined that value engineering, specialized expertise required, public safety and technical complexity, generally do not apply to this special procurement procedure.

c. The renegotiated contract falls within a current special procurement procedure, but if not the LCRB must approve a separate special procurement.

d. The public charter school may renegotiate certain terms, but they must not unreasonably alter the scope of the original contract.

Findings of Fact

a. The LCRB may amend contracts when it is in the best interest of the public charter school. The superintendent and/or other designee, acting on behalf of the LCRB, may renegotiate certain provisions, including:

(1) Price;
(2) Term;
(3) Delivery and shipping;
(4) Order size;
(5) Substitution;
(6) Warranties;
(7) Online ordering systems;
(8) Price adjustments;
(9) Product availability;
(10) Product quality;
(11) Reporting requirements; or
(12) Discounts.

Any contract amendment will be supported by legal consideration when necessary to validate the amended provision.

b. The amended terms must be within a reasonable scope of the original contract, but not fundamentally alter the agreement or nature of goods or services. Public charter schools may, however, request functionally equivalent substitutes for goods or services in the original contract.

c. The contract as a whole must be more favorable to the individual needs of the public charter school to justify renegotiation. Cost may be a factor in determining what is a favorable change to the original contract, but the public charter school may use factors other than cost that demonstrate that the amended contract is more favorable to the unique needs of the public charter school.

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Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in awarding public contracts because it already exists as a contract awarded in compliance with the public charter school's special procurement and public contracting code.

The awarding of contracts under this special procurement will result in cost savings to the public charter school when it needs to renew its original contract with vendors, service providers or other parties, or otherwise substantially promote the public interest.

EXEMPTIONS FROM COMPETITIVE BIDDING

All public contracts shall be based upon competitive bids or proposals, except the following:

1. Contracts which have been specifically exempted under ORS 279A.025 and 279C.335; and

2. Contracts covered by the class exemptions in the following set of rules developed pursuant to ORS 279C.335 (2) and (5) and based on Oregon Administrative Rules, Chapter 137, Divisions 46 through 49.

The Board, acting as the Local Contract Review Board (LCRB) for the public charter school, has made the findings required by ORS 279C.330, ORS 279C.335 and ORS 279C.345, and determined that awarding a contract under this exemption is unlikely to encourage favoritism or substantially diminish competition for the public contract and will likely result in a substantial cost savings and other substantial benefits to the public charter school.

In approving a finding under this section, the local contract review board shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:

1. How many persons are available to bid;

2. The construction budget and the projected operating costs for the completed public improvements;

3. Public benefits that may result from granting the exemption;

4. Whether value engineering techniques may decrease the cost of the public improvement;

5. The cost and availability of specialized expertise that is necessary for the public improvement;

6. Any likely increases in public safety;

7. Whether granting the exemption may reduce risks to the public charter school or the public that are related to the public improvement;

8. Whether granting the exemption will affect the sources of funding for the public improvement;
9. Whether granting the exemption will better enable the public charter school to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;

10. Whether granting the exemption will better enable the public charter school to address the size and technical complexity of the public improvement;

11. Whether the public improvements involves new construction or renovates or remolds an existing structure;

12. Whether the public improvement will be occupied or unoccupied during construction;

13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and

14. Whether the public charter school has or has retained under contract, and will use public charter school personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the public charter school will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

Only these findings are required for each class or individual contract exemption, unless the LCRB specifically excludes a finding or includes an additional finding.

Promulgation of these exemptions can only occur after public notification and a public hearing to receive testimony pertaining to the draft exemptions and findings, pursuant to ORS 279C.335.

1. **Brand Names or Products, “Or Equal,” Single Seller and Sole Source**

   a. The public charter school may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.

   b. The public charter school has determined that value engineering, specialized expertise required, public safety and technical complexity, generally do not apply to this exemption.

   c. Solicitation specifications for public contracts of the public charter school shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections d. and e. of this rule.

   d. The public charter school 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 after documenting the procurement file with the following:

      (1) A brief description of the solicitation(s) to be covered, including contemplated future purchases;

      (2) Description of the brand name, mark or product to be specified; and

      (3) A brand name specification may be prepared and used only if the public charter school determines for a solicitation or class of solicitations that only the identified brand name specification will meet the needs of the public charter school based on one or more of the following written determinations:

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(a) The use of the brand name specification is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; or
(b) Specification of the brand name, mark or product would result in substantial cost savings to the public charter school; or
(c) There is only one manufacturer or seller of the product of the quality, performance or functionality required; or
(d) The efficient utilization of existing goods requires the acquisition of compatible goods and services.

(4) The public charter school shall make reasonable effort to notify all known suppliers of the specified product and invite such vendors to submit competitive bids or proposals.

e. The public charter school may purchase a particular product or service available from only one source, after documenting the procurement file with the public charter school’s findings of current market research to support the determination that the product is available from only one seller or source. The public charter school’s findings shall include:

(1) A brief description of the contract or contracts to be covered, including contemplated future purchases;
(2) Description of the product or service to be purchased; and
(3) The reasons the public charter school is seeking this procurement method, which shall include any of the following:

(a) That the efficient utilization of existing equipment, supplies or services requires the acquisition of compatible equipment, supplies or services; or
(b) That the goods or services required for the exchange of software or data with other public or private agencies are available for only one source; or
(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.

(4) To the extent reasonably practical, the contracting agency shall negotiate with the sole source to obtain contract terms advantageous to the contracting agency.

f. The public charter school may specify a product or service available from only one manufacturer but available through multiple sellers, after documenting the procurement file with the following information:

(1) If the total purchase is over $5,000 but does not exceed $100,000, and a comparable product or service is not available under an existing state cooperative purchasing contract, competitive quotes shall be obtained by the public charter school and retained in the procurement file; or

(2) If the amount of the purchase exceeds $100,000, the product or service shall be obtained through competitive bidding unless a specific exemption is granted by the LCRB.
g. If the public charter school intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five years, the public charter school will so state in the solicitation file and in the solicitation document, if any. Such documentation shall be sufficient notice as to subsequent purchases. If the total purchase amount is estimated to exceed $100,000, this shall be stated in the advertisement for bids or proposals.

Findings of Fact/Conclusion of Compliance with Law

It is unlikely that this process will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts, as required by ORS 279C.335 (2)(a).

This class exemption applies only to contracts under a limited dollar amount, and then, only after efforts to obtain competitive quotes are made, or other methods have been employed to ensure that competitive means are used if available. The public charter school maintains open lists from which vendors are contracted for quotations. In addition, as required by ORS 279C.335 (2)(b) award of a public contract subject to the above described exemption should likely result in substantial cost savings or other substantial benefits to the public charter school by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost.

2. Product Prequalification

a. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the public charter school may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:

(1) The public charter school will make reasonable efforts to notify all known manufacturers and vendors of competing products of the public charter school’s intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the public charter school’s list of prequalified products. At its discretion, the public charter school may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the public charter school may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the public charter school; and

(2) The public charter school will accept manufacturer and vendor applications to include products in the public charter school’s list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the public charter school’s written notice.

b. The public charter school has determined that special expertise required, generally, does not apply to this rule.

c. If the public charter school denies an application for inclusion of a product on its list of prequalified products, the public charter school shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a

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written appeal within 7 calendar days to the public charter school superintendent to request review and reconsideration of the denial.

Findings of Fact

a. There are occasions when the public charter school needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The public charter school may have a specific performance or design need, but it is impractical for the public charter school to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex and constantly changing. It would be very burdensome and time consuming for the public charter school to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the public charter school’s specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and public charter school programs, because staff are not able to order the equipment they need until the contract is awarded.

In this case, it might be more cost effective and efficient for the public charter school to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

b. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the public charter school must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.

c. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The public charter school maintains vendor mailing lists which are open to all interested vendors. The public charter school uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.

d. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.

e. Subsection c. of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

Conclusion of Compliance with Law

Where prequalification of products is appropriate, it is unlikely that this exemption will encourage favoritism in the awarding of public contracts or diminish competition for such contracts as required by ORS 279C.335 (2)(a). There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.

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The prequalification of products process is a time-consuming effort for the public charter school. It is not a shortcut procurement method. The public charter school would use this method only after balancing cost-saving considerations, such as the ability of the public charter school to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to a contract award. If the prequalification method is chosen, it will likely result in a substantial cost savings and other substantial benefits to the public charter school as required by ORS 279C.335 (2)(b) because the normal method of product selection is too cumbersome and costly to pursue.

3. Requirements Contracts (Blanket Purchase Orders, Price)¹

a. The superintendent, on behalf of the public charter school, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining public charter school requirements for volume discounts, standardization among schools and departments and reducing lead time for ordering.

b. The public charter school has determined that value engineering, specialized expertise required and technical complexity, generally, do not apply to this rule.

c. The public charter school may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.

d. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.

e. Schools and departments shall use requirements contracts established by the public charter school, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.

f. Under the authority of ORS 279A.025 and 279C.335, the public charter school may use the requirements contracts entered into by another Oregon public agency when:

(1) The original contract met the requirements of the public contracting code; and
(2) The original contract allows other public agency usage of the contract; and
(3) The original public contracting agency concurs and this is documented by a written interagency agreement between the public charter school and the agency.

g. The term of any public charter school requirements contract, including renewals, shall not exceed five years unless otherwise exempted pursuant to ORS 279C.335.

¹The Oregon Procurement Information Network (ORPIN) allows authorized members to utilize the state's price agreement/contracts to purchase goods and services. Authorized ORCPP members can legally attach to a state price agreement and forego the competitive bid process. Access to hundreds of competitive price contracts for a wide variety of goods and services: vehicles, computers, furniture, copiers, fax machines, travel, pharmaceuticals, office products, etc., is available.
Findings of Fact

a. This rule permits the public charter school to enter into requirements contracts, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or services are routine and repetitive. For example, school, building, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.

b. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among schools, buildings and departments and reducing lead time for ordering.

c. The public charter school establishes requirements contracts as a result of open competitive bidding or RFP processes, unless otherwise exempted.

d. The public charter school limits the term of a requirements contract, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise exempted.

e. The public charter school may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this exemption will result in favoritism in the awarding of public contracts or diminish competition for such contracts, as required by ORS 279C.335 (2)(a). The public charter school will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of public charter school requirements contracts will likely result in a substantial cost savings and other substantial benefits to the public charter school, as required by ORS 279C.335 (2)(b). It would be costly and inefficient to make routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the public charter school to get better prices from bidders.

4. Waiver of Bid Security Requirements (Public Improvement Contracts under $100,000)

The LCRB may, at its discretion, waive the bid security requirements of ORS 279C.390, if the amount of the contract for the public improvement is less than $100,000. Although the bid security requirements of ORS 279C.390 are waived for public improvement contracts under $100,000, the public charter school may impose a bid or quote security requirements for projects under $100,000, when deemed to be in the best interest of the public charter school.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive bid security requirements for certain public improvement contracts. Waiver of the bid security is provided for by statute without a requirement for findings.
5. Waiver of Performance and Payment Security Requirements (Public Improvement Contracts under $100,000)

The LCRB may, at its discretion, waive the performance/payment security requirements of ORS 279C.390 if the amount of the contract for the public improvement is less than $100,000. Although the performance/payment security requirements of ORS 279C.390 are waived for public improvement contracts less than $100,000, the public charter school may impose a performance/payment security requirement for projects less than $100,000 when deemed to be in the best interest of the public charter school.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive performance/payment security requirements for certain public improvement contracts. Waiver of the performance/payment security is provided for by statute without a requirement for findings.

6. Projects with Complex Systems or Components

a. For contracts for public improvements with significant components that are inherently complex and are also complex to procure through competitive bid, the public charter school may, at its discretion, use RFP competitive procurement methods subject to the conditions described in ORS 279C.400 and conditions enumerated in this exemption.

b. Definitions. For purposes of this exemption only: “Complex Systems” are defined as those systems which incorporate the procurement of materials or other components which are difficult, if not impossible, to create in an “equal” specifications basis for competitive bid. Examples of such systems include but are not limited to, contracts for supplying and installing computerized controls for building heating, venting, air conditioning systems; and contracts for artificial surface outdoor multipurpose athletic fields. “Significant” is intended to mean something more than de minimus, but not necessarily the majority of the project as determined by cost.

Finding of Fact/Conclusion of Compliance with the Law

It is unlikely that this exemption will encourage favoritism in the awarding of the public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). Contracts for public improvements occasionally incorporate the procurement of systems, materials, or other components (complex systems) for which it is extremely difficult to design bid specifications. In these situations, utilization of a RFP process where each of the systems can be evaluated utilizing a number of factors, in addition to price, will likely result in substantial cost savings and other substantial benefits to the public charter school as required by ORS 279C.335 (2)(b).

ORS 279C.400 enumerates how RFP’s are to be used if authorized by the LCRB. This criteria, ensures that competitive means will be used and selection will be fair and impartial. As a result, it is unlikely that this process will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). The awarding of contracts pursuant to this process will result in optimal value to the public charter school based on selection by the public charter school of the best competitive proposal that meets the stated evaluative criteria.
This class exemption is intended to be used for the types of procurements describe in the findings, where the specific system, materials or components represent a significant portion of the project. This class exemption is not intended to be used for construction manager/general contractor (CM/GC) projects or other methods of alternative procurement unless these projects meet the requirements of this class exemption. The CM/GC and others, not meeting the requirements of this class exemption, may still be procured by RFP, provided that a project or contract specific exemption is promulgated by the LCRB.
Expense Reimbursements

The public charter school will reimburse employees for authorized expenses incurred for professional growth and/or job requirements in accordance with administrative regulations developed.

END OF POLICY

Legal Reference(s):

ORS 294.155
ORS 338.115(2)

OAR 581-022-1660

INTERNAL REVENUE SERVICE, PUBLICATION 463: TRAVEL, ENTERTAINMENT, GIFT AND CAR EXPENSES.

Cross Reference(s):
BHD - Board Member Compensation and Expense Reimbursement
EEBB - Use of Private Vehicles for Public Charter School Business
Staff Expense Reimbursement

Expense reimbursement for staff traveling on approved public charter school business will be governed by the following procedures. Travel expenses include travel fares, meals and lodging and expenses incident to travel. Only travel expenses as are ordinary and necessary in the conduct of approved travel for public charter school business purposes and directly attributable to it will be reimbursed. As used in this regulation an “ordinary” expense means one that is common and accepted in the profession; a “necessary” expense means one that is essential and appropriate in order to conduct public charter school business.

Reimbursement procedures established by the public charter school will also apply to Board members traveling on Board-approved public charter school business, as applicable.

Out-of-state travel requires prior Board approval.

Insurance Coverage

1. Insurance costs are included as part of the mileage reimbursement for employees authorized to use a private vehicle to conduct public charter school business. It is the responsibility of the owner or driver of the vehicle to be certain that the vehicle is adequately covered by insurance.

2. The responsibility of the public charter school for damages resulting from vehicle accidents is not the same as set forth in the public charter school’s general liability insurance policy. The employee’s insurance coverage provides primary coverage when the employee is driving his or her own vehicle on approved public charter school business.

3. All public charter school employees operating private vehicles on approved public charter school business are required to complete and maintain on file with the public charter school verification of vehicle liability insurance that meets or exceeds Oregon statutory minimum limits. This verification is required prior to any public charter school approval to conduct public charter school business in a private vehicle. Employees are required to update their verification of vehicle liability information maintained on file with the public charter school upon any change in the employee’s vehicle insurance coverage.

Meals and Meetings

1. Reimbursement will be made for ordinary and necessary meal expenses incurred in the course of approved travel for public charter school business. Meals include amounts spent for food, beverage, taxes and related gratuities. Alcoholic beverages will not be reimbursed by the public charter school. See Expense Reimbursement Request and Accounting Procedures below.

2. Expenses in excess of the public charter school’s established limit are ordinarily the responsibility of the employee and may be reimbursed only with superintendent approval. Receipts for all meal expenses must be secured and attached to the claim.
Travel Advances

1. A travel advance may be requested when the estimated cost for meals, lodging, etc., exceeds $50. The travel advance may be requested by completing the form provided by the public charter school.

2. The cost of commercial travel tickets will not be included in a cash advance request.

3. In the event of loss, the employee is personally responsible for cash advances issued and for any third party use of a public charter school-provided credit card.

4. At least 21 working days are required for processing an advance check after the approved request is received by the office.

5. Only one cash advance may be outstanding to any employee at any time.

Reservations, Commercial Carrier and Lodging

1. Travel must be conducted in the most expeditious and cost-effective manner, as determined by the public charter school.

2. Each employee is responsible for making his/her own reservations by obtaining a purchase order number from the office and furnishing that number to the local travel agency or commercial carrier.

3. The public charter school prohibits the accrual of travel credits for individuals traveling on approved public charter school business.

Vehicle Rentals

1. Rental vehicles may be used only when use will affect a savings or otherwise be more advantageous to the public charter school or when the use of other transportation is not feasible.

2. Rental of a compact vehicle is recommended when suitable for approved public charter school business because of the lower initial rate and the guaranteed rate. Certain rental agencies guarantee the compact rate in all owned stations and in most licensee stations, which means that if a reservation for a compact vehicle is accepted and one is not available, a standard-sized vehicle will be substituted at the compact rate.

3. Rental vehicles will be used only for official travel or in lieu of taxi for necessary travel. Any additional costs incurred for other usage will be the personal responsibility of the traveler.

4. Employees will be informed if the public charter school carries the rental car endorsement as part of its insurance coverage. In the event the public charter school does not carry the rental car endorsement the employee will be authorized to purchase insurance coverage from the rental agency.
Cancelled Trips

1. If an employee cannot leave at the scheduled time, it is his or her responsibility to call the travel agency or carrier and arrange to have the tickets cancelled or exchanged.

2. Commercial carrier reservation cancellations must be made at least 24 hours before departure time, whenever possible.

3. Lodging reservations must be cancelled by the employee as soon as possible to avoid a cancellation charge.

4. If a trip is cancelled after an advance and/or tickets have been issued, the advance and tickets must be returned to the office immediately.

Personal Travel Combined with Public Charter School Business Travel

1. If an individual traveling on approved public charter school business engages in both business and personal activities, travel expenses incurred will be reimbursed only for expenses that are ordinary and necessary in the conduct of public charter school business. Expenses incurred as a part of personal business are the sole responsibility of the traveler.

2. When personal travel is combined with approved public charter school business travel and the individual is traveling by less than the most expeditious and cost-effective manner, any additional costs must be paid by the traveler.

3. Time away from work caused by traveling by less than the most expeditious means available for personal purposes must be charged to vacation or other appropriate leave.

4. Vacation or other personal leave may be taken in conjunction with approved public charter school travel subject to the following:

   a. Time delays related to approved public charter school business are charged as working time even if no work is performed;

   b. If the employee travels by less than the most cost-effective manner, as determined by the public charter school, for approved public charter school business or for personal travel combined with travel for public charter school business purposes, he or she must pay the additional cost (e.g., increased fare, meals, lodging expenses, etc.) incurred as a result of the personal travel;

   c. All subsistence and local transportation (i.e., taxi, vehicle fare, etc.) while on vacation status or other appropriate leave must be paid by the employee;

   d. The traveler will not be required to pay any of the basic transportation costs incurred as a part of the approved public charter school business, even though he or she spends a substantial part of the total time away from home on vacation or other personal leave, provided the employee was traveling on approved public charter school business;

   e. A traveler who decides on his or her own to conduct public charter school business without prior approval, while on vacation or other personal leave, cannot then use this as a justification to have the public charter school pay his or her basic transportation cost from the public charter school to the location visited, or submit a request for other expense reimbursement.
Expense Reimbursement Request and Accounting Procedures

1. Reimbursement requests detailing actual expenditures must be submitted on the public charter school’s travel expense form and approved by the superintendent in writing. Receipts and supporting documentation must accompany all expense reimbursement requests. This includes, but is not limited to, receipts for transportation, lodging, meals, registration, conference and workshop fees. All requests must be submitted to the public charter school office within 10 working days of the conclusion of the trip.
   a. If the completed travel expense report totals less than the travel advance, the difference must be returned within 10 working days to the office with the report.
   b. Reimbursement for expenditures in excess of a travel advance, or where no travel advance has been requested, will be made within 30 working days after the approved travel expense report is received by the office.

2. Expenses which consist primarily of the cost of furnishing meals for others will be reimbursed upon submission of a travel expense report which includes:
   a. The names of guests;
   b. The organizations involved;
   c. A full explanation of the public charter school business purpose of the meeting.

3. In the event a vehicle was rented, a copy of the rental agreement must be attached to the travel expense report. The rental charge should be paid from the amount advanced, as applicable. Purchase of gas and oil which have been deducted from the rental charge by the rental agency must be included.

4. Any claim for mileage reimbursement only may be submitted at the end of each month in which reimbursement is to be claimed. A claim must be submitted no later than 10 calendar days of incurring the expense. Reimbursement claims later than 10 calendar days of the expense will be denied.

5. Mileage for approved public charter school business travel in a private vehicle will be reimbursed at the current rate per mile established by the public charter school Board.

6. Meal expenses for approved public charter school business travel purposes, may be reportable as income to the employee in accordance with IRS regulations. Generally, meal expenses incurred for approved public charter school business purposes in which public charter school business is conducted with at least one or more other persons, or that is incurred on approved public charter school business for a trip that is overnight, or long enough that the individual needs to stop for sleep or rest to properly perform his/her duties, as defined by the IRS, will not be reportable as income to the employee.

7. In the event the total of the amount charged to, and/or received from the public charter school by the employee as advances, reimbursement or otherwise, exceeds the ordinary and necessary business expenses, the excess must be reported as income in accordance with IRS requirements.
Reimbursable Expense Limitations

1. The public charter school may establish a daily per diem rate not to exceed the IRS recommendations that covers all meal expenses.

2. Gratuities must not exceed 15 percent and must be included as a part of the receipt. Gratuities in excess of 15 percent are the responsibility of the employee and will not be reimbursed by the public charter school.

3. Other expenses such as toll charges, parking fees, valet services, cleaning, pressing and laundry may be reimbursed if length of a trip or circumstances demand.

4. Mileage reimbursement for actual miles traveled on public charter school business, may be approved subject to the following limitations:
   a. Mileage reimbursement will not be granted to an employee, other than a public charter school-approved tutor, for traveling from his or her residence to the place where work begins for the day or for returning home from the last place worked during the day;
   b. Reimbursement will be made only for those miles actually traveled in the course of completing approved public charter school business. When chauffeured, mileage for two round trips and short-term parking will be reimbursed if not greater than the cost of one round trip plus economy parking;
   c. Group travel may be requested on one travel request form for a group traveling together as long as advance and reimbursement is payable to one person who has complete responsibility for reporting expenses;
   d. In the event a private vehicle is approved for use from home, to or from airport or railroad station, mileage for one round trip and economy parking will be reimbursed. Parking receipts are required;
   e. Individuals requesting reimbursement for use of a private vehicle on approved district business must meet insurance requirements. See Insurance Coverage above.

5. Lodging will be reimbursed at reasonable commercial rates.

6. Local taxi, shuttle, bus fares and vehicle rentals may be reimbursed, subject to the public charter school’s requirement that travel selected is by the most expeditious, cost-effective manner, as determined by the public charter school.
Disposal of Public Charter School Property

The Board may, at any time, declare public charter school property as surplus and authorize its disposal when such property is no longer useful to the public charter school, unsuitable for use, too costly to repair or obsolete. Property with an estimated value over $1,000 requires Board approval before it can be disposed of.

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to the public charter school, the Board may dispose of them in another manner.

If the charter is terminated or a public charter school is dissolved, the assets of the public charter school that were purchased with public funds shall be given to the State Board of Education.

If the public charter school property was purchased with state, federal or private grant funds disposal of the property shall be made as outlined in the grant or by state or federal regulations.

END OF POLICY

Legal Reference(s):

ORS 279B.055
ORS Chapters 279A, 279B and 279C
ORS 332.155
ORS 338.105(6)
ORS 338.115(2)

EDUCATION, TITLE 34 C.F.R. PART 80 § 80.32(e).