



CAMPBELL PHILLIPS PC  
Attorneys at Law

## MEMORANDUM

To: Q-Life Board  
From: Kristen Campbell, Counsel  
Date: January 30, 2024  
Re: Revised and Restated Public Contracting Rules: Update

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### **Background**

The existing version of Q-Life’s Public Contracting Rules (the “Rules”) was adopted in 2020. Since then, applicable legislation has been amended several times. Most recently, the legislature enacted Senate Bill 1047, which substantially increased relevant public contracting thresholds for purchasing goods and services. See attached. The Rules need to be amended to align with legislation. As part of the Amendment process, a detailed review of the Rules was undertaken, and additional areas were identified as in need of increased efficiency. The attached proposed Revised and Restated Public Contracting Rules have taken these into account. The Board of Directors has been delegated the authority to make these changes as the Local Contract Rules Board.

### **Analysis**

Most of the Rules, and the applicable processes, remain unchanged. Generally, the Rules seek to condense the applicable statutes into a manageable format. Where the Rules are silent, Q-Life will continue to refer to the state’s Model Rules. The goals in revising the Rules were: 1) maximizing contracting efficiency; 2) remaining in compliance with legislation; and 3) creating a document that is “user friendly.” The key proposed changes are as follows:

**Section 2:** This Section summarizes the statutorily exempt classes of contracts that are specifically applicable to Q-Life.

**Section 5:** This Section designates the Manager as “Purchasing Manager” unless the Board directs otherwise. This delineates the Manager’s existing de facto role overseeing Q-Life’s public contracting processes and ensuring compliance with the Rules. This Section also increases the Manager’s authority to enter into contracts up to \$100,000.00. Section 5 also authorizes the Manager to approve change orders or amendments not exceeding 25% of the

original contract price. These provisions would continue to require strict adherence to the Rules and the review of contracts by legal counsel but would allow for some of the more “day-to-day” contracting to occur without official Board action.

**Section 8:** Section 8 incorporates the recent legislative changes to purchasing thresholds. For example, for personal services contracts, Q-Life may now directly award contracts not exceeding \$25,000.00 in one year. Similarly, Q-Life may utilize an informal solicitation process (soliciting no less than three bids) for contracts up to \$250,000.00, which is increased from \$150,000.00. The thresholds for direct and informal awards were also revised as to public improvement contracts along with contracts for professional services.

***Note:*** When it is in Q-Life’s best interest, even if a direct or informal solicitation is allowed, there is nothing prohibiting Q-Life from undertaking a more formal process.

*Section 8 Subsection F* includes classes of contracts that may be awarded in any manner, including directly as allowed by statute, because they are unlikely to encourage favoritism and will result in substantial cost savings to Q-Life. These contracts are generally based either on scarce goods, specialized services and/or ongoing relationships or sophisticated familiarity with the subject matter or the intertwined relationship between classes of goods and services (i.e. software/hardware compatibility). These also include sole source contracts, where goods or services are only available from one source.

*Section 8 Subsection G* is a response to what Q-Life learned during an unforeseen pandemic. This revision would allow the Public Contracting Manager to enter into a contract immediately and directly to prevent substantial damage to persons or Q-Life property. However, the Contracting Manger is required to report to the Board, as soon as possible, the nature of the emergency, contract and method for selecting the contractor.

**Section 9.** This Section expands our ability to certify “qualified pools” of contractors capable of providing specified goods or performing certain services. Qualified contractors would be invited to submit their qualifications to Q-Life. Subject to the requirements in the Rules and the best interests of Q-Life, contracts would be awarded from the pool without further competition.

## **Conclusion**

Adopting these Revised and Restated Public Contracting Rules would bring Q-Life into compliance with the Oregon Revised Statutes, increase contracting efficiency in specific areas and be more easily amended going forward as rules change.