

Grants Pass School District 7

Code: **DJC-AR**
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Exemptions from Competitive Bidding

All public contracts shall be based upon competitive bids¹ or proposals, except the following:

- Contracts which have been specifically exempted under ORS 279.015 (2) or 279.017;
- Contracts excepted under ORS 279.015 subsections (1)(a) through (h) and subsections (4) and (5); and
- Contracts covered by the class exemptions in the following set of rules developed pursuant to ORS 279.015 (2) and (5) and based on Oregon Administrative Rules, Chapter 125, Divisions 300 through 360. The Board, acting as the LCRB, has made the findings of fact and conclusions of law required by ORS 279.015 (2)(a) and (b). Such findings are maintained by the district and are available upon request. All exemptions that affect public improvement contracts must be heard at a public hearing prior to adoption, as required by ORS 279.015 (3).

Class Exemptions

1. Purchases of Brand Names, “or Equal Products,” Single Seller or Sole Source Products
 - a. The district 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 district shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections c., d. and e. of this rule.
 - c. The district 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) The brand name, mark or product to be specified; and
 - (3) The reasons the district is seeking this procurement method, which shall include any of the following findings in the procurement file:

¹Although a particular public contract may qualify for one or more of the bidding exceptions described in this administrative regulation, the superintendent or designee can utilize the competitive bidding process for any contract if he/she determines it is in the best interest of the district to do so.

- (a) It is unlikely that specification of the brand name, mark or product will encourage favoritism in the award of the public contracts or substantially diminish competition; or
 - (b) Specification of the brand name, mark or product would result in cost savings to the agency; or
 - (c) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment or supplies.
 - (4) The district shall make reasonable effort to notify all known suppliers of the specified product and invite such vendors to submit competitive bids or proposals.
- d. The district may purchase a particular product or service available from only one source, after documenting the procurement file with the district’s findings of current market research to support the determination that the product is available from only one seller or source. The district’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 district is seeking this procurement method, which shall include any of the following:
 - (a) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment, supplies or services; or
 - (b) The required product is data processing equipment which will be used for research where there are requirements for exchange of software and data with other research establishments; or
 - (c) The particular product is for use in a pilot or an experimental project.
- e. The district may specify a product or service available from only one manufacturer but available through multiple sellers, after documenting the procurement file with the information required in e.(1)-(2) of this rule below, and subject to the following:
- (1) If the total purchase is \$5,000 or more but does not exceed \$75,000, and a comparable product or service is not available under an existing state cooperative purchasing contract, competitive quotes shall be obtained by the district and retained in the procurement file;
 - (2) If the amount of the purchase exceeds \$75,000, the product or service shall be obtained through competitive bidding unless a specific exemption is granted by the LCRB.
- f. If the district intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five years, the district will so state in the solicitation file

and in the solicitation document, if any. Such documentation shall be sufficient notice as to subsequent purchases.

2. Purchase of Advertising Contracts

- a. The district may purchase advertising in any media, regardless of dollar amount, without competitive bidding.

3. Sale of Advertising Contracts

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

4. Contract Amendments (Including Change Orders and Extra Work)

- a. An amendment for additional work or product reasonably related to the scope of work under the original contract including change orders, extra work, field orders or other change in the original specifications that increases the original contract price, may be made with the contractor, without competitive bidding, subject to the following conditions:
 - (1) The original contract was let by competitive bidding or RFP process, unit prices or additive alternates were provided that established the cost basis for the additional work or product and a binding obligation (a contract) exists between the parties covering the terms and conditions of the additional work; or
 - (2) The original contract was let pursuant to a declaration of emergency, in accordance with ORS 279.015 (4)(a), (5) and the district's rule governing Emergency Contracts, Section 6.; or
 - (3) The additional work is required by reason of existing regulations or ordinances of federal, state or local agencies, dealing with the prevention of environmental pollution and the preservation of natural resources, that affect performance of the original contract and such regulations or ordinances, as provided in ORS 279.318, either were not cited in the original contract or were enacted or amended after submission of the successful bid or proposal; or
 - (4) The original contract was for the renovation or remodeling of a building;
 - (5) Except for amendments entered into under subsection a.(1)-(4) of this rule, the total increase resulting from all amendments to a contract shall not exceed 20 percent of the initial contract price. Contracts for the renovation or remodeling of buildings may have aggregate amendments not exceeding 33 percent of the initial contract price. Provided, however, that amendments made under subsection a.(1) of this rule are not to be applied against either the 20 percent or the 33 percent aggregate limit on contract amendments. Provided, further, that contracts amended under subsections a.(2) or a.(3) of this rule are not subject to either the 20 percent or the 33 percent aggregate limit on contract amendments;

- (6) If the original contract required the contractor to provide a performance and payment bond and the district has terminated the contractor and notified the contractor's surety of the termination, the district may allow the contractor's surety an opportunity to provide a substitute contractor to complete performance of the original contract. Such substitute performance and any amendment of the original contract that makes a substitute contractor a party to the contract and is not an award of a public contract for purposes of ORS 279.015 (1) shall not be subject to the competitive procurement provisions of ORS 279.005 through 279.111.

5. Contracts under Certain Dollar Amounts

- a. The district may, at its discretion, let public contracts not to exceed \$75,000 for the purchase of goods, materials, supplies and services including trade-related projects such as construction, maintenance, repair or similar labor and materials contracts without formal competitive bidding, if the district has determined that the awarding of the contract without competitive bidding will result in cost savings and the following conditions are met:
 - (1) The contract is for a single project and is not a component of or related to any other project;
 - (2) The contract is more than \$5,000, but less than \$75,000. Then the district shall, at minimum, obtain three informally solicited, competitive quotes. If three quotes are not available, a lesser number will suffice provided that a written record is made of the effort to obtain the quotes; or
 - (3) The contract is less than \$5,000. However, where practical, the district shall obtain competitive quotes;
 - (4) The required goods, materials, supplies or services are unavailable from a Qualified Rehabilitation Facility as provided in ORS 279.850 (Products of Disabled Individuals).

The district shall keep a written record of the source and amount of the quotes received.

- b. When the contract is for a "public improvement" as defined in ORS 279.011 (8) or for "public works" as defined in ORS 279.348 (3), the district will follow the procedures in subsection A. of this rule and applicable provisions of ORS 279.015 (3) for holding a public hearing before final adoption of required findings. Further, if the contract price exceeds \$25,000 but is less than \$75,000, the district and the contractor shall comply with:
 - (1) The prevailing wage provisions of ORS 279.348 to 279.365, when applicable;
 - (2) The performance bond requirements of ORS 279.029;
 - (3) The contractor registration requirements of ORS Chapter 701; and
 - (4) Any other law applicable to such a contract.
- c. If more than one supplier may be available and the total purchase is estimated to exceed \$75,000, the district shall select a contractor through competitive bidding.

6. Emergency Contracts

- a. Pursuant to the requirements of ORS 279.015 (4), (5) and this rule, the district may, at its discretion, enter into a public contract without competitive bidding if an emergency exists. Emergency means circumstances that could not have been reasonably foreseen that create a substantial risk of loss, damage, interruption of services or threat to public health or safety that requires prompt performance of a contract to remedy the condition.
- b. The LCRB may, by order, resolution or other official action declare the existence of the emergency stating with specificity either in the order, resolution, other documentation of official action or in the minutes or record of its official proceedings, the findings describing the emergency conditions that require prompt execution of the contract.

The findings shall include a statement of the anticipated harm from failure to establish the contract on an expedited basis and record the measures taken to encourage competition to the extent reasonable under the circumstances, the amounts of the bids, quotes or proposals obtained and the reason for selecting the contractor. There is no dollar limit upon such action by the LCRB.

- c. Under delegation of authority by the LCRB, the superintendent or designee may declare the existence of the emergency, which shall authorize the district to enter into an emergency contract under \$50,000. The superintendent or designee must make written findings describing the emergency conditions that require prompt execution of the contract.
- d. Any contract awarded under this exemption shall be awarded within a reasonable period of time or 60 days, whichever is less, following declaration of the emergency unless an extension is granted by the LCRB pursuant to ORS 279.015 (5).

7. Equipment Repair and Overhaul

- a. The district 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 \$75,000, 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 \$75,000, 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 an exempted purchase. The superintendent or designee may prepare a specific request for the anticipated contract to be exempted from the competitive bidding requirement of ORS 279.015 (1) to submit to the LCRB for approval under the conditions of ORS 279.015 (2).

8. Contracts for Price Regulated Items

- a. The district may, regardless of dollar amount and without competitive bidding, contract for the direct purchase of goods or services where the rate or price for the goods or services being purchased is established by federal, state or local regulatory authority, including, but not limited to, postage, local garbage, sewer and water service.

9. Purchases under Federal Contracts²

- a. When the price of goods and services has been established by a contract of the federal government pursuant to a federal contract award, the district may purchase the goods and services in accordance with the federal contract without subsequent competitive bidding.
- b. In exercising its authority under this exemption, the district shall:
 - (1) Obtain and document permission from the appropriate federal agency granting permission to the district to purchase under the federal contract;
 - (2) Document the cost savings to be gained for the district from the anticipated purchase(s) from the federal contract.
- c. The district shall not contract pursuant to this rule in the absence of a cost savings to the district by using this method.

10. Copyrighted Materials

- a. The district may, without competitive bidding and regardless of dollar amount, purchase copyrighted materials where there is only one known supplier available for such goods. Examples of copyrighted materials covered by this exemption 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.

²ORS 279.015 (1)(a) provides an exception from compliance with competitive procurement when dealing with the federal government or another public agency. Care should be exercised when purchasing directly from a federal contract, as some may have been procured through the process of negotiations, a direct prohibition in Oregon statutes. This does not apply when purchasing federal or state surplus equipment through the program operated by the Department of Administrative Services (DAS) in Salem.

11. Investment/Borrowing Contracts

- a. The district may, without competitive bidding and regardless of dollar amount, invest public funds or borrow funds pursuant to district authority under state law and in accordance with applicable state laws and rules, Board policy and administrative regulation.

12. 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 district 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 district will make reasonable efforts to notify all known manufacturers and vendors of competing products of the district'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 district's list of prequalified products. At its discretion, the district may provide notice by advertisement in the *Daily Journal of Commerce* or other appropriate trade publication; or instead of advertising, the district may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the district;
 - (2) The district will accept manufacturer and vendor applications to include products in the district'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 district's written notice.
- b. If the district denies an application for including a product on a list of prequalified products, the district 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 10 calendar days to the director of business services to request review and reconsideration of the denial.

13. Request for Proposal (RFP)

- a. The district may, at its discretion, use RFP competitive procurement methods subject to the following conditions:
 - (1) The procurement is advertised and a written solicitation document is issued that invites the submission of sealed, written offers to be opened publicly at a designated time and place;
 - (2) Contractual requirements are stated clearly in the solicitation document;
 - (3) Evaluation criteria and weighting factors to be applied in awarding the contract and the role of an evaluation committee are stated clearly in the solicitation document.

Criteria used to identify the proposal that best meets the district’s needs may include, but are not limited to, cost, quality, service and support, compatibility, product or system reliability, financial stability, operating efficiency, proposer qualifications and experience;

- (4) The solicitation document clearly states all complaint processes and remedies available;
- (5) The solicitation document states the provisions for proposers to comment on any specifications that they feel limit competition.

14. Request for Proposal - Construction Manager/General Contractor

- a. The district may use RFP procedures, in accordance with its rule governing Request for Proposal, Section 13., for the selection of construction manager/general contractor firms (CM/GC) who will be required to establish guaranteed maximum prices for constructing public improvements, subject to the following conditions:
 - (1) Contractual requirements are stated clearly in the solicitation document. The contract shall describe the methods by which the CM/GC shall competitively select other contractors and subcontractors to perform the work of the improvement. Further, the contract shall describe completely the methods by which the CM/GC and its affiliated or subsidiary entities, if any, may compete to perform the work of the improvement; such methods shall include, at a minimum, public opening of sealed bids at a preannounced time and place;
 - (2) Evaluation criteria to be applied in selecting the CM/GC firm are stated clearly in the solicitation document. Criteria used to identify the CM/GC firm which best meets the public contracting needs may include, but are not limited to, cost, quality, experience relevant to the improvement to be constructed and time required to commence and complete the improvement.
- b. The superintendent or designee shall prepare specific written findings to support the use of the CM/GC contracting method for each public improvement contract proposed and submit them to the LCRB for adoption. The findings must show compliance with ORS 279.011 (5) that due consideration has been given to information regarding: (1) operational, budget and financial data; (2) public benefits; (3) value engineering; (4) specialized expertise required; (5) public safety; (6) market conditions; (7) technical complexity; and (8) funding sources and 279.015 (2)(a) and (b) - that awarding a contract subject to the district’s CM/GC rule is unlikely to encourage favoritism or substantially diminish competition and will result in a cost savings to the district. The district shall retain the findings and make them available upon request. These findings shall address the following items, as applicable:
 - (1) The district has competitively bid a public improvement project and failed to receive a responsive, responsible bid within the cost estimate established by the district or its consultant. There are de facto cost savings from not redesigning and rebidding the project;

- (2) There are expected substantial savings on direct construction costs;
 - (3) The district requires use of the project within the stated project schedule and there will be program and cost consequences if the required use is delayed;
 - (4) The technical complexity or unique character of the project requires the coordination of multiple disciplines;
 - (5) The use of value engineering through cooperation among the architect/engineer, contractor and district is important to the project's delivery on time and within budget;
 - (6) There are other factors which demonstrably affect cost.
- c. The district shall publish notice and hold a public hearing in accordance with ORS 279.015 (3) prior to final adoption of findings.
15. Requirements Contracts (Blanket Purchase Orders, Price Agreements)³
- a. The director of business services on behalf of the district, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining district requirements for volume discounts, standardization among schools and departments and reducing lead time for ordering.
 - b. The district 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 ORS 279.005 to 279.111 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. Schools and departments shall use requirements contracts established by the district, 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 279.015 (1)(g)(A), the district may use the requirements contract entered into by another Oregon public agency when:
 - (1) The original contract met the requirements of public procurement statutes contained in ORS Chapter 279;
 - (2) The original contract allows other public agency usage of the contract;
 - (3) The original public contracting agency concurs and this is documented by a written interagency agreement between the district and the agency.

³The state of Oregon's Cooperative Purchasing Program (ORCPP) 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.

- f. The term of any district requirements contract, including renewals, shall not exceed five years unless otherwise exempted pursuant to ORS 279.015.

16. Purchase of Used Personal Property or Equipment⁴

- a. Subject to the provisions of this rule, the district may purchase used property or equipment without obtaining competitive bids or quotes, if the district has determined that the purchase will result in cost savings to the district 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 district purchase. Used personal property or equipment generally does not include property or equipment if the district was the previous user, whether under a lease, as part of a demonstration, trial or pilot project or similar arrangement.
- b. For purchases of used personal property or equipment costing less than \$75,000, the district shall, where feasible, obtain three competitive quotes unless the district has determined and documented that a purchase without obtaining competitive quotes will result in cost savings to the district and will not diminish competition or encourage favoritism.
- c. For purchases of used personal property or equipment totaling \$75,000 or more, the district shall attempt to obtain three competitive quotes. The district 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.

17. Information Technology Contracts

- a. The district may enter into a contract to acquire information technology hardware and software without competitive bidding subject to the following conditions:
 - (1) If the contract amount does not exceed \$75,000, the district shall, as a minimum, follow its rule governing Contracts Under Certain Dollar Amounts, Section V. Prior to selecting a contractor, reasonable efforts shall be made to solicit proposals from three or more vendors. Justification of award shall be documented and become a public record of the district;
 - (2) If the contract amount exceeds \$75,000, the district shall determine and use the best procurement method, pursuant to ORS 279.005 through ORS 279.111 and these rules, and shall solicit written proposals in accordance with the requirements of the Attorney General’s Model Public Contract Rules. The district shall document the evaluation and award process, which will be part of the public record justifying the award;

⁴When contracting with another governmental entity, a district has a statutory exemption under ORS 279.015 (1)(a). The district may purchase state/federal surplus property through the Department of Administrative Services, Surplus Property Division.

- (3) If the amount of the contract is estimated to exceed \$75,000, the district shall provide proposers an opportunity to review the evaluation of their proposals before final selection is made.

18. Telecommunications Systems - Hardware and Software Contracts

- a. The district 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 \$75,000, the district shall at a minimum obtain competitive quotes. See the district's rule governing Contracts Under Certain Dollar Amounts, Section V. Prior to selection of a contractor, reasonable efforts will be made to solicit proposals from three or more vendors. Justification of award shall be documented and become a public record of the district;
 - (2) If the contract amount exceeds \$75,000, the district shall determine and use the best procurement method, pursuant to ORS 279.005 through ORS 279.111 and these rules and shall solicit written proposals in accordance with the requirements of Chapter 137, Division 030, of the Attorney General's Model Public Contract Rules.
- b. The telecommunications solicitation authorized in subsection a.(2) 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 district'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;
 - (4) Be advertised in accordance with ORS 279.025 and OAR 137-030-0015.

19. Telecommunications Services

- a. The district 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 district will use routine purchasing procedures whenever possible, but if necessary, the district can consider alternative procurement methods in accordance with this rule.

The district will generally follow the normal competitive procurement processes in obtaining telecommunications services. This exempted 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 district shall comply with the requirements of ORS 291.038 and determine whether competition exists. In determining whether competition exists, the district may consider the following factors:
- (1) The extent to which alternative providers exist in the relevant geographic and service market; the greater area of Josephine County;
 - (2) The extent to which alternative services offered are comparable or substitutable in technology, service provided and performance. For example, if the district requires digital services, analog services are not comparable or substitutable. If the district 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 district's interest in consistency and continuity of services throughout its service area, volume discounts, equitable service for all users, centralized management and limiting district liability. For example, to be considered as the district's long-distance service provider, any long-distance service vendor must be able to meet, support and interface with the district's centralized automated billing requirements. The district 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 district may solicit the information either through informal telephone or written contacts or through a formal solicitation such as an RFP.
- c. If the district determines that competition does not exist in the area for the relevant service, the district may proceed to secure the service on a sole source basis, as described in the district's rule governing purchase of Brand Names, "Or Equal Products," Single Seller and Sole Source Products, Section 1.

20. Hazardous Material Removal; Oil Cleanup

- a. The district may enter into public contracts without competitive bidding, regardless of dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted 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 district 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 district shall not contract pursuant to this exemption in the absence of an order from the DEQ to clean up a site which includes a time limit that would not allow the district 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 and this administrative regulation.
21. Insurance, Employee Benefit⁵
- a. The district may purchase employee benefit insurance without competitive bidding, regardless of dollar amount, subject to the terms of any collective bargaining agreement.
22. Waiver of Bid Security Requirements (Other than Public Improvements)
- a. The LCRB may, at its discretion, waive the bid security requirements of ORS 279.027 for contracts other than those for public improvements.
23. Waiver of Bid Security Requirements (Public Improvement Contracts)
- a. The LCRB may, at its discretion, waive the bid security requirements of ORS 279.027 if the amount of the contract for the public improvement is less than \$75,000. Although the bid security requirement is waived for public improvement contracts under \$75,000, the LCRB may impose a bid or quote security requirement for projects under \$75,000 when deemed to be in the best interest of the district.

⁵ORS 279.015 (1)(e) provides for an exception when purchasing medical insurance. This exception is exclusive to medical insurance and does not extend to other insurance contracts that a board may enter into.