



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital  
FROM: Cathy Bloom, Finance Manager and Gail Murray, Purchasing/Risk Manager  
DATE: July 26, 2013  
SUBJECT: Resolution for revisions to EWEB Public Contracting Rule 2-0150:  
Board Approval Thresholds and Board Policy EL2-Purchasing Controls  
OBJECTIVE: Approval of Resolution No. 1320

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## **Issue**

On July 16, 2013 the Board approved changes to EWEB's Public Contracting Rule 2-0150, which were updated to reflect proposed changes to the board approval thresholds. Attached is Board Resolution No. 1320 reflecting those changes to EWEB's Public Contracting Rules and consequently to Board Policy EL2.

## **Recommendation**

Management recommends approval of the attached resolution to support the Board's changes to approval thresholds.

## **Requested Board Action**

Approval of Resolution No. 1320 to reflect the changes to EWEB's Public Contracting Rules, 2-0150.

## Proposed 2-0150 Language

**2-0150 Board Approval Thresholds**

(1) The Board shall have the sole authority to approve award of all contracts that meet or exceed the following thresholds:

Purchase of all Goods, Services, Personal Services and Equipment:	\$150,000 or greater
Construction:	\$100,000 or greater

(2) The Board shall have the sole authority to approve all change orders to Board awarded contracts that cause the contract to exceed 25 percent of the last Board approved amount. The Board shall also have the sole authority to approve any change orders where the change order would cause the contract to exceed the Board approval thresholds, as provided in (1) of this rule.

(3) The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's immediate family prior to that contract being placed on the Board's consent calendar for Board approval. Notification to the Board of the proposed contract(s) shall initially be given to the General Manager as soon as practical. At a minimum, the notification shall include:

- The name of the Leadership Team Manager,
- The name of the proposed contractor,
- That the Leadership Team Manager and proposed contractor are immediate family members,
- A description of the proposed work,
- Staff's findings,
- The estimated potential cost of the contract, and
- The contract term.

The General Manager will provide the information to the Board at his or her earliest convenience, by whatever means he or she determines to be most appropriate.

*"Immediate Family Member," as used in this rule, means any spouse, domestic partner, child, sibling (of any kind, including in-law), parent (including in-law), or grandchild.*

(4) This rule does not apply to the following procurements:

- a. Existing Board Appointed Consultants and Attorneys, which shall be reported to the Board annually for their ratification. The initial contract with any new consultants and attorneys shall be submitted to Board for approval. Any contracts with those persons thereafter will be ratified by the Board annually;
- b. Required **sole-source/single seller** contracts, which includes the following:
  - Governmentally required taxes, fees, permits and payments;
  - Software licenses, upgrades, and fees;
  - Equipment and software maintenance agreements;
  - Commonly used financial reporting and credit agencies selected because of their unique, reliable reporting capabilities and
  - Other sole-source contracts required to meet governmental requirements, required to maintain existing software and equipment, or in which EWEB has no choice, but to use to maintain business operations.
- c. Cooperative Procurement Contracts established for multiple-agency use by: State of Oregon,

State of Washington

Western States Contracting Alliance (WSCA),

U.S. Communities,

The federal General Services Administration, or

Other governmental entity that is legally sufficient for EWEB's use.

d. Board approved price agreements that specifically identify the contract as a price agreement and the purchases as being made on an "as needed" basis for the life of the contract (e.g. the purchase of stores items "as needed" to perform the utility's regular work).

e. This exception from Board approval does not apply to any contract(s) as set forth in section 3, above.

5. Application of exception 4 above is at the sole-judgment and discretion of the Purchasing Manager and shall only be applied to required single seller/sole-source contracts.

**Proposed EL2 Language**

**Exhibit B**

**Policy Number:** EL2  
**Policy Type:** Executive Limitations  
**Policy Title:** Purchasing Controls  
**Effective Date:** August 6, 2013

Board Approval Thresholds

1. The Board shall have the sole authority to approve the award of all contracts that meet or exceed the following thresholds:

Purchase of all Goods, Services, Personal Services and Equipment \$150,000 or greater  
Construction \$ 100,000 or greater

2. The Board shall have the sole authority to approve all change orders to Board awarded contracts that cause the contract to exceed 25 percent of the last Board approved amount. The Board shall also have the sole authority to approve any change orders where the change order would cause the contract to exceed the Board approval thresholds, as provided in (1) of this rule.
3. The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's immediate family prior to that contract being placed on the Board's consent calendar for Board approval. Notification to the Board of the proposed contract(s) shall initially be given to the General Manager as soon as practical. At a minimum, the notification shall include:
  - The name of the Executive Manager,
  - The name of the proposed contractor,
  - That the Executive Manager and proposed contractor are immediate family members,
  - A description of the proposed work,
  - Staff's findings,
  - The estimated potential cost of the contract, and
  - The contract term.

The General Manager will provide the information to the Board at his or her earliest convenience, by whatever means he or she determines to be most appropriate.

*"Immediate Family Member," as used in this rule, means any spouse, domestic partner, child, sibling (of any kind, including in-law), parent (including in-law), or grandchild.*

4. This rule does not apply to the following procurements:
  - a. Existing Board appointed consultants and attorneys, which shall be reported to the Board annually for their ratification. The initial contract with any new consultants and attorneys shall be submitted to the Board for approval. Any contracts with those persons thereafter will be ratified by the Board annually;
  - b. Required sole-source/single seller contracts, which includes the following:
    - Governmentally required taxes, fees, permits and payments;
    - Software licenses, upgrades, and fees;
    - Equipment and software maintenance agreements;
    - Commonly used financial reporting and credit agencies selected because of their unique, reliable reporting capabilities, and
    - Other sole-source contracts required to meet governmental requirements, required to maintain existing software and equipment, or in which EWEB has no choice, but to use to maintain business operations.
  - c. Cooperative Procurement Contracts established for multiple-agency use by:  
State of Oregon,  
State of Washington  
Western States Contracting Alliance (WSCA),  
U.S. Communities,  
The federal General Services Administration, or  
Other governmental entity that is legally sufficient for EWEB's use.
  - d. Board approved price agreements that specifically identify the contract as a price agreement and the purchases as being made on an "as needed" basis for the life of the contract (e.g. the purchase of stores items "as needed" to perform the utility's regular work).
  - e. This exception from Board approval does not apply to any contract(s) as set forth in section 3, above.
5. Application of exception 4 above is at the sole-judgment and discretion of the Purchasing Manager and shall only be applied to required single seller/sole-source contracts.

**RESOLUTION NO. 1320  
AUGUST 2013**

**RESOLUTION APPROVING REVISIONS TO EWEB PUBLIC CONTRACTING  
RULE 2-0150: BOARD APPROVAL THRESHOLDS AND  
BOARD POLICY EL2 – PURCHASING CONTOLS**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a state of Oregon local government; and maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS, EWEB's Board of Commissioners is EWEB's governing body and acts as its Contract Review Board (ORS279A.60) with rulemaking authority to adopt its own rules of procedure for public contracts (ORS279A.065(5)(a)) and periodically reviews said policies and identifies required modifications or amendments to those policies; and

WHEREAS, the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board with regard to governance, board-staff linkage, strategic direction or executive limitations; and

WHEREAS, the Board of Commissioners has reviewed, discussed and approved the provisions of proposed new EWEB Public Contracting Rule 2-0150 and Board Policy EL2 – Purchasing Controls at the July 16, 2013 board meeting; and

BE IT RESOLVED that the EWEB's Board of Commissioners hereby adopts the following revisions to its Public Contracting Rule 2-0150: Board Approval Thresholds and Board Policy EL2: Purchasing Controls.

DATED, this 6<sup>th</sup> day of August 2013.

THE CITY OF EUGENE, OREGON  
Acting by and through the  
Eugene Water & Electric Board

\_\_\_\_\_  
President

I, TARYN M JOHNSON, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the resolution adopted by the Board at its August 6, 2013 Regular Board Meeting.

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Assistant Secretary