



City of Florence Council Regular Session

In Person & Videoconference
250 Hwy 101
Florence, OR 97439
541-997-3437
www.ci.florence.or.us

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting, and can be found of the City of Florence website at www.ci.florence.or.us/council.
- Items distributed during the meeting, meeting minutes, and a link to the meeting video are posted to the City's website at www.ci.florence.or.us/council after the meeting.
- To be notified of City Council meetings via email, please visit the City's website at <http://www.ci.florence.or.us/newsletter/subscriptions>.

March 18, 2024

AGENDA

5:30 p.m.

Councilors:

Rob Ward, Mayor

Sally Wantz, Council President
Jo Beaudreau, Councilor

Bill Meyer, Council Vice-President
Robert Carp, Councilor

With 48-hour prior notice, an interpreter and/or TTY: 541-997-3437, can be provided for the hearing impaired.
Meeting is wheelchair accessible.

Proceedings will be shown live and for rebroadcast on Cable Channel 191 and online at www.ci.florence.or.us/citymanager/public-meetings-live and will be available after the meeting on the City's Vimeo Site.

In addition to attending in person, members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link:

<https://attendee.gotowebinar.com/register/3145674617613169498>

Meetings are also shown live on Cable Channel 191 and online at <https://www.ci.florence.or.us/citymanager/public-meetings-live>.

Citizens wishing to express their views may submit comments in writing or verbally. For more information, please see the end of this agenda or visit the [City of Florence website](http://www.ci.florence.or.us).

CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE

PRESENTATIONS & ANNOUNCEMENTS

- 2024 If I Were Mayor Contest Winners
- Proclamations for Military Child, Vietnam Veterans Day, and Women's History Month
- Employee Recognitions by Human Resource Manager Alex Ferguson
- Senior Center Annual Report

Mayor Ward

1. PUBLIC COMMENTS

This is an opportunity for members of the public to bring to the Council's attention any item not otherwise listed on the agenda. *Please see the end of this agenda for methods to provide comments on items that are not on the agenda.*

City Council / Local Contract Review Board Meeting

The Florence City Council serves as the Local Contract Review Board. This agenda serves as notice that the City Council shall be acting as both the Local Contract Review Board and the City Council for Action Item #2.

LOCAL CONTRACT REVIEW BOARD ACTION ITEM

Please see the end of this agenda for methods to provide comments on action items.

2. PUBLIC CONTRACTING RULES

A. CITY OF FLORENCE PURCHASING & PUBLIC IMPROVEMENT CONTRACTS POLICIES

Consider approval of **Resolution No. 4, Series 2024**, a joint resolution of the City Council and Local Contract Review Board amending the public contracting rules for the City of Florence.

Megan
Messmer
Assistant
City Manager

ACTION ITEMS

Please see the end of this agenda for methods to provide comments on action items.

3. SAFE ROUTES TO SCHOOL

Consider approval of **Resolution No. 5, Series 2024**, a resolution establishing approval to apply for a grant from the Oregon Department of Transportation (ODOT) for Safe Routes to School (SRTS) Program and delegating authority to the City Manager or designee to sign the application.

Mike Miller
Public Works
Director

4. REIMBURSEMENT DISTRICT

Receive Public Works Director’s recommendation regarding the establishment of a reimbursement district for the construction of the 35th and Rhododendron Drive Intersection improvements and the Rhododendron Drive Multi-Use Path and consider initiating the public hearing process.

Mike Miller
Public Works
Director

5. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Consider acknowledging the receipt of the audited financial statement for the fiscal year ending June 30, 2023.

Anne Baker
Admin. Services
Director

CONSENT AGENDA

6. FLORENCE STOP AND GO MARKET OFF-PREMISE LIQUOR LICENSE

Consider recommendation of approval to the Oregon Liquor & Cannabis Commission (OLCC) for a off-premise liquor license for Florence Stop and Go Market LLC located at 3375 Hwy 101.

Lezlea
Purcell
Finance
Manager

7. APPROVAL OF MEETING MINUTES

Consider approval of the February 5, 2024 City Council Regular Session, February 22, 2024 City Council Work Session, and March 7, 2024 City Council Work Session meeting minutes.

Lindsey White
City Recorder

REPORT & DISCUSSION ITEMS

8. QUARTERLY FINANCIAL STATEMENTS

Report on the City of Florence financials for the period ending December 31, 2023.

Anne Baker
Administrative
Serv. Director

9. RHODY EXPRESS RIDERSHIP SURVEY 2024

Associate Planner Clare Kurth will present on the Rhody Express Ridership Survey.

Clare Kurth
Associate
Planner

10. DEPARTMENT DIRECTOR UPDATES

Management
Team

11. CITY MANAGER REPORT & DISCUSSION ITEM

Erin
Reynolds
City Manager

12. CITY COUNCIL REPORTS & DISCUSSION ITEMS

City Council

COUNCIL CALENDAR		
<i>All meetings are held in person with a virtual option unless otherwise indicated</i>		
Date	Time	Description
March 21, 2024	8:45 a.m.	City Council Work Session
April 4, 2024	8:45 p.m.	City Council Executive Session

PUBLIC MEETINGS PROCEDURES

The March 18, 2024 City Council meeting will be held in person, with the option to view / listen to the meeting virtually through the GotoWebinar platform.

Expressing Views to the City Council: Citizens wishing to express their views to the City Council may do so in both written and verbal formats.

1. Written Testimony: Citizens wishing to express their views to the City Council are encouraged to submit written testimony in one of the following ways:
 - a. Submit written comments via email to City Recorder at cityrecorder@ci.florence.or.us;
 - b. Mail written comments to Florence City Hall, Attn: City Council, 250 Hwy 101, Florence, OR 97439
 - c. Drop off written comments at Florence City Hall (250 Hwy 101) during regular office hours (Monday through Friday 8 a.m. – Noon and 1:00 p.m. – 4 p.m.) or at the City of Florence drop box located at Florence City Hall to the right of the main entrance.
- ** Note: Written comments received at least 2 hours prior to the meeting (March 18, 2024 at 3:30 p.m.) will be distributed to the City Council, posted to the City of Florence website, and made part of the record.
2. Verbal Testimony: Citizens wishing to express their views to the City Council may participate in the meeting at Florence City Hall or via GoToWebinar. To do so, please complete a speaker's card online at www.ci.florence.or.us/council/request-address-city-council-speakers-card at least 1 hour prior to the meeting (March 18, 2024 at 4:30 p.m.). City staff will then contact the speaker to let them know the process to participate in the meeting.
 - a. Public Comments on items not on the agenda: General public comments (on items not on the City Council agenda) will be allowed at each City Council meeting during the public comment agenda item. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all items. In practicality, this means no more than five individuals will be allowed to comment verbally. There is no limit on written public comments.
 - b. Public Hearing Testimony: Testimony on public hearing items will be allowed when a public hearing is held. Verbal comments will be allowed on public hearing items after staff has given their report and have allowed time for initial Council questions. In general (with some exceptions for Land Use hearings), comments are limited to five minutes per person with no limit on the number of speakers.
 - c. Public Comments on Action Items: Public Comments will be allowed on each action item on the City Council agenda. Verbal comments will be allowed on action items after staff has given their report and have allowed time for initial Council questions. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all comments on each action item. In practicality, this means no more than five (5) individuals will be allowed to comment verbally. There is no limit on written public comments.

For more information on the City of Florence's Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/council/rules-procedure>

AGENDA ITEM SUMMARY**FLORENCE CITY COUNCIL**

Meeting Date: March 18, 2024

Department: Mayor & Council

ITEM TITLE: Presentations and Announcements

DISCUSSION:

- 2024 If I Were Mayor Contest Winners
 - Proclamations for Military Child, Vietnam Veterans Day, and Women’s History Month
 - Employee Recognitions by Human Resource Manager Alex Ferguson
 - Clare Kurth- Associate Planner
 - Stephen Hatler- Utility Supervisor
 - Jason Price- Facilities Lead Worker
 - Tracey David- Facilities Lead Worker
 - Senior Center Annual Report
-



2024 “If I Were Mayor” Contest Winners

Mayor Rob Ward, along with the Oregon Mayors Association (OMA), held the “If I Were Mayor...” contest where students had the opportunity to share their creative and inspirational ideas about what they would do as a mayor. To find out more about this state competition, you can visit this link: <https://www.oregonmayors.org/special-programs/page/student-contest>

Out of 28 submissions we received, Mayor Rob Ward has chosen the following 8 winners:

Kindergarten – Dean Wells

1st Grade – 1st- Carter Jo Gauderman, 2nd- Maren Ferguson

2nd Grade – Easton Merz

3rd Grade – 1st- Mia Moore, 2nd- Ava Lilienthal

4th Grade – 1st -Caitlin Grant, 2nd -Maddox Chance

5th Grade – Abby Timm

These winners will be recognized and awarded at the March 18th City Council Meeting.

PROCLAMATION

Office of the Mayor, City of Florence

Month of the Military Child April 2024

WHEREAS, Florence is proud to be a designated Coast Guard City; and

WHEREAS, The Oregon Dunes Chapter Daughters of the American Revolution Project Patriot committee supports our active-duty military and their families; and

WHEREAS, April is designated as National Month of the Military Child to honor the sacrifices made by military families worldwide, with an emphasis on the experience of the dependent children of military members serving at home and overseas; and

WHEREAS, April 30th is 'Military Brat' day; local officials, businesses, and schools are encouraged to share a 'Purple Up!' message, and wear purple to show community support.

NOW, THEREFORE, I, Rob Ward, Mayor of the City of Florence, do hereby proclaim April 2024, as 'Month of the Military Child' to honor our local military children, and further resolve and proclaim April 15, 2024 as 'Purple Up! For Military Kids' day.



Rob Ward, Mayor

PROCLAMATION

Office of the Mayor, City of Florence



National Vietnam War Veteran's Day 2024

WHEREAS, Florence, Oregon has a strong commitment to recognizing and acknowledging the accomplishments of all individuals in the diverse community we serve; and

WHEREAS, the Vietnam War is a time in our nation's history where service members of different backgrounds came together to complete a daunting mission; and

WHEREAS, National Vietnam War Veterans Day is observed every year on March 29th to thank and honor our nation's Vietnam veterans and their families for their sacrifice; and

WHEREAS, our city is passionate about ensuring the sacrifices of the over 2.7 million heroes who served during the Vietnam War are remembered for generations to come; and

WHEREAS, Florence wishes to highlight the service of our Armed Forces and support organizations during the war; pay tribute to wartime contributions at home by American citizens and Allies; and acknowledge the technology, science, and medical advances made during the war.

NOW, THEREFORE I, Rob Ward, be it resolved by the City of Florence do hereby proclaim March 29, 2024 Vietnam Veterans Day and ask our citizens to say "Thank you for your service" and "Welcome home" to our community's Vietnam veterans.



Rob Ward, Mayor

PROCLAMATION

Office of the Mayor, City of Florence



Women's History Month 2024

WHEREAS, American women of every race, class, and ethnic background have made historic contributions to the growth and strength of our Nation and Communities in countless recorded and unrecorded ways;

WHEREAS, American women have played and continue to play critical economic, cultural, and social role in every sphere of the life of the Nation by constituting a significant portion of the labor force working inside and outside of the home;

WHEREAS, American women have played a unique role throughout the history of the Nation by providing the majority of the volunteer labor force of the Nation;

WHEREAS, American women were particularly important in the establishment of early charitable, philanthropic, and cultural institutions in our Nation;
Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement;

WHEREAS, American women have served our country courageously in the military;

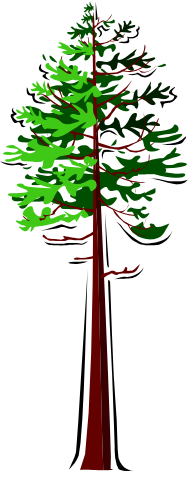
WHEREAS, American women have been leaders, not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and other movements, especially the peace movement, which create a more fair and just society for all; and

WHEREAS, despite these contributions, the role of American women in history has been consistently overlooked and undervalued, in the literature, teaching and study of American history:

Now, therefore, be it resolved by the City of Florence, that March is designated as "Women's History Month". Mayor Rob Ward authorized and requested to issue a proclamation each March, calling upon the people of the Florence to observe March as Women's History Month with appropriate programs, ceremonies, and activities.

Rob Ward, Mayor





FLORENCE SENIOR CENTER

1570 Kingwood
Florence, Oregon 97439

Phone: (541) 997-8844
Website: florenceseniorcenter.org

Date February 12, 2024

City of Florence
Lindsey White, City Recorder
250 Highway 101
Florence, OR 97439

Dear Ms. White:

As required by our Management Agreement, I have attached our report to the City of Florence.

Please let me know if you have any comments or questions.

We recently had a meeting with Megan Messmer regarding the potential of our Senior and Activity Center to serve as a Resilience Hub for the City. By expanding the size of the Center, it would be possible for us to serve as a small warming center during the cold and wet winter months and as a respite during periods of heavy wildfire smoke. With an expansion of the building and the parking area the Center could also serve as a center for emergency response teams.

Sincerely,

Patricia Wheeler
Florence Senior Center
Board of Directors

Cc: Erin Reynolds, City Manager
Florence City Council

Attachments: Senior Center Report and Financials

FLOENCE SENIOR AND ACTIVITY CENTER
Report to the City of Florence
January 2023 through December 2023

This annual report to the City of Florence covers the period January 2023 through December 2023. This report will highlight our accomplishments for the year 2023.

FINANCIAL STATUS

As of October 31, 2023 we show a YTD net income at a negative -515.12. We had to purchase a new ice machine and had unexpected stove repairs. Our budget shows an increase in revenue from classes and games. We need to focus on fund raising next year, and the Board has been discussing fund raising events to support the daily use of the Center.

We had established a budget for the year and will retain that budget for the coming year until our income stream improves.

MAINTENANCE

We have a contract with a part time janitor to maintain the interior of the building, trash receptacles, cleaning floors, cleaning floors and windows, cleaning bathrooms and completing small maintenance items as needed. He works two evenings a week, or more if needed with a contract of \$325.00 per month. As the building/kitchen is also used by Lane Council of Government weekly for their meals on wheels program, kitchen inspections are required every 6 months. Building security is with OnSpot Security services. Our internet service is currently free as provided by OregonFast.net.

RENTALS

Lane Council of Governments continue to rent the kitchen area to provide their meal services and will be re-opening their Café 60 program for in-house dining.

The Memory Care Respite Center has an agreement for one day a week with an option for two days week. A rental price was negotiated that allows the Senior Center Board to use their small office the other three days of the week.

Regular rental activity has remained fairly steady this year.

CENTER EXPANSION

The Center is in use daily, with very few slots of time still available for classes and games. Two yoga classes extend until 5 pm two days a week and there is a dance class until 6 pm one day a week. Adding some space will help us expand our classes and games. We have had requests for an art class. We have had requests for a dance class. The cost of expansion will require intensive fund- raising efforts and grant writing beyond what we are currently undertaking.

ACTIVITIES

Bingo, cribbage, two yoga classes, Chair exercise, Billiards, two Line Dancing classes, Acoustic Music Jams, Celtic music jams, 5 Crowns, Pinochle, Poker, NIA Dance Exercise, Tai Chi and and MS Support Group. Each year we rent space to groups that provide information on Medicare/insurance enrollments. Some of the music groups like to come in and play around the lunch hour. For the first six months of the year we have had an average of 755 visitors sign in each month.

We have a contract with a kitchen manager to create and provide lunches on Tuesdays and Thursdays and one Friday each month for our Singing Pines Café at a rate of \$800.00 per month. We average about 15 people for our lunches and the \$8.00 charge is generally enough to cover the food costs, providing a low-cost meal for our Seniors.

VOLUNTEERS

We currently have 5 board members and 18 volunteers for the front desk and kitchen. Producing approximately 4752 documented hours annually. Undocumented hours will add to that figure substantially.

We are a Senior Activity Center.

BOARD PRESIDENT

Patricia Wheeler
Treasurer

2-5-2024
DATE

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 1
Meeting Date: March 18, 2024
Department: Mayor & Council

ITEM TITLE: Public Comments – *Items Not on the Agenda*

DISCUSSION/ISSUE:

This is an opportunity for members of the audience to bring to the Council's attention any item not otherwise listed on the Agenda. *Please see end of the agenda for methods to provide comments on items not on the City Council agenda.*

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 2

Meeting Date: March 18, 2024
Department: City Manager

ITEM TITLE: 2023 Public Contracting Rule Amendments

DISCUSSION/ISSUE:

Florence City Code (FCC) Title 1, Chapter 8: City Contracts Section designates the Florence City Council as the Local Contract Review Board in section 1-8-1. Per FCC 1-8-7, Local Contract Review Board shall adopt rules to implement Title 1, Chapter 8, City Contracts.

ORS Chapters 279A, 279B, and 279C (the "Public Contracting Code") has been in place since March 1, 2005. Since that date, the legislature has amended some aspect of the Code nearly every session. The most recent changes took effect January 1, 2024. Per ORS 279A.065, the Attorney General's Model Rules govern government agency public contracting. The statute does allow a public entity to adopt its own procurement rules, which may or may not include portions of the Attorney General's Model Rules. Since the City of Florence has adopted its own rules, ORS 279A.065(6)(B) requires public entities that adopt their own rules to review them each time the Attorney General modifies its rules to ensure compliance with statutory changes.

The Council adopted the City's current Public Contract Rules via Resolution No. 3, Series 2023 in February 2023. The legislature's amendments should be reflected in the City's public contracting rules. City staff have worked with the City Attorney to determine the updates needed to address the 2023 legislative amendments.

The attached 2023 Public Contracting Rules will replace the City's adopted 2022 Public Contracting Rules. Since the updates to the existing 2022 Public Contracting Rules do not add or amend any special procurement class exemption, the City may modify its Rules by resolution, without the need for a public hearing. In order to adopt the amendments, the resolution must be adopted jointly by the City Council and the Local Contracting Review Board. This can occur at the same meeting with the City Council serving in both capacities.

Below is an overview of the proposed amendments reflected in the attached 2023 Public Contracting Rules (Rules) based on the State legislature's amendments to Oregon's Public Contracting Code (ORS 279A, B and C).

1. Effective January 1, 2024, SB 1047 increased:
 - a) The "Small Procurement/Direct Award" threshold for goods and service (Division 47) and public improvement (Division 49) contracts from \$10,000 to \$25,000; and
 - b) The Intermediate Procurement threshold for goods and service contract from \$150,000 to \$250,000 (Division 47).

The proposed Rules increase the City's thresholds accordingly to match these increases.

The Legislature did not adopt a similar intermediate procurement increase for public improvement contracts. Therefore, Divisions 47 and 49 intermediate procurements have different upper thresholds within the proposed Rules.

In addition, the proposed Rules have increased our E-17 and E-18, Personal Service thresholds from \$10,000 to \$25,000 to correspond to the Division 47 small procurement increase.

2. HB 2295 expanded the preference for service-disabled veterans to all veterans. This minor change is reflected in Divisions 46 and 49 of our updated Rules. In sum, a business must be 51% owned by a qualifying veteran, the owner must manage the day-to-day operation of the enterprise, and the business must have annual revenues below \$23.98 million. As with all preferences, staff (or legal counsel) will consult ORS 200.005 to determine exactly who qualifies.
3. Per HB 3572, proposed Rule 137-046-0300(5) now allows, but does not require, a public contracting agency to grant a 5% preference to for-profit businesses that benefit society or the environment (known as a certified B-Corp.)
4. The proposed Rules continue to track state law, making demolition contracts and those for the removal of hazardous waste "public works" subject to prevailing wage laws per SB 594.

FISCAL IMPACT: The updated 2023 Public Contracting Rules will continue to allow the City to efficiently and effectively carry out the work of the City. With the rising cost of goods and services, the increased thresholds for procurement will allow budgeted activities and projects to move more swiftly to fruition.

RELEVANCE TO ADOPTED CITY WORK PLAN:
The above is integral to the delivery of city services consistent with the City's adopted work plan.

- ALTERNATIVES:**
1. Approve Resolution No. 4, Series 2024 adopting the 2023 Public Contracting Rule amendments.
 2. Postpone approval of Resolution No. 4, Series 2024, while providing direction to staff regarding changes to review with legal counsel.
-

RECOMMENDATION: Approve Resolution No. 4, Series 2024, a joint resolution of the Florence City Council and the Local Contract Review Board amending the Public Contracting Rules for the City of Florence.

AIS PREPARED BY: Megan Messmer, Assistant City Manager

**CITY MANAGER'S
RECOMMENDATION:**



Approve



Disapprove



Other

Comments:

ER Reynolds

ITEM'S ATTACHED:

Attachment 1 – Resolution No. 4, Series 2024

Attachment 2 – 2023 Public Contracting Rules

RESOLUTION NO. 4, SERIES 2024

JOINT RESOLUTION OF THE FLORENCE CITY COUNCIL AND THE LOCAL CONTRACT REVIEW BOARD AMENDING THE PUBLIC CONTRACTING RULES FOR THE CITY OF FLORENCE

RECITALS:

1. In 2011, the City of Florence (City) opted out of the Public Contracting Model Rules adopted by the Attorney General under ORS subchapters 279A, 279B, and 279C, as set forth in Oregon Administrative Rules Chapter 137, Divisions 46, 47, 48 and 49 (the "Model Rules") and adopted its own Public Contracting Rules (Rules), which were most recently updated by Resolution No. 3, Series 2023, in February, 2023; and
2. The 2023 legislature adopted several amendments to Oregon's Public Contracting Code (Code), allowing further updates to the City's Rules, Divisions 46, 47, 49 and Personal Services Rules; but requiring no changes to the City's public contracting Class Exemptions; and
3. The City Council and the City's Local Contract Review Board agree that legislative amendments to the Code should be reflected in the City's Rules.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. **Findings.** The findings set forth in the recitals, above, are hereby adopted as support for the amendments to the City's Public Contracting Rules.
2. **Amendments.** The following identified subsections of City Public Contracting Rules, Divisions 46, 47, 49, and E-17 adopted by Resolution No. 3, Series 2023, Section 3 are hereby amended as follows:

- a. Subsection 5 of Rule 137-046-0300, Preference for Oregon Goods and Services; Nonresident Bidders, is amended to read as follows:

(5) Discretionary Preference and Award.

- (a) Under ORS 279A.128, a Contracting Agency may provide, in a Solicitation Document for Goods, Services or Personal Services, a specified percentage preference of not more than: (i) ten percent for Goods fabricated or processed entirely in Oregon or Services or Personal Services performed entirely in Oregon or (ii) five percent for Goods or Services provided by a benefit company that is incorporated,

organized, formed or created under ORS 60.754, that submits with a bid or proposal a certificate of existence issued under ORS 60.027 and has the majority of the benefit company's regular, full-time workforce located in Oregon at the time the benefit company submits the bid or proposal.

- (b) When the Contracting Agency provides for a preference under this Section, and more than one Offeror qualifies for the preference, the Contracting Agency may give a further preference to a qualifying Offeror that resides in or is headquartered in Oregon.
- (c) A Contracting Agency may establish a preference percentage higher than the percentages authorized in (5)(a) of this rule by written order that finds good cause to establish the higher percentage and which explains the Contracting Agency's reasons and evidence for finding good cause to establish a higher percentage.
- (d) The Contracting Agency may not apply the preferences described in this Section in a Procurement for emergency work, minor alterations, ordinary repairs or maintenance of public improvements, or construction work that is described in ORS 297C.320.

- b. Rule 137-047-0265, Small Procurements, is amended to read as follows:

137-047-0265 Small Procurements

- (1) **Generally.** For Procurements of Goods or Services less than or equal to \$25,000 a Contracting Agency may Award a Contract as a small Procurement pursuant to ORS 279B.065 by direct selection or award without any competitive or solicitation process.
- (2) **Amendments.** A Contracting Agency may amend a Public Contract Awarded as a small Procurement in accordance Rule 137-047-0800, but the cumulative amendments may not increase the total Contract Price to greater than one hundred twenty-five percent (125%) of the small procurement threshold stated in subsection (1) of this Rule.

- c. Rule 137-047-0270, Intermediate Procurements, is amended to read as follows:

137-047-0270 Intermediate Procurements

- (1) **Generally.** For Procurements of Goods or Services greater than \$25,000 and less than or equal to \$250,000, a Contracting Agency may Award a Contract as an intermediate Procurement pursuant to ORS 279B.070.

- (2) **Written Solicitations.** For any intermediate Procurements, a Contracting Agency may use a Written solicitation to obtain quotes.
- (3) **Negotiations.** A Contracting Agency may negotiate with a Proposer to clarify its quote or offer or to effect modifications that will make the quote or offer acceptable or make the quote or offer more Advantageous to the Contracting Agency.
- (4) **Amendments.** A Contracting Agency may amend a Public Contract Awarded as an intermediate Procurement in accordance with Rule 137-047-0800, but the cumulative amendments may not increase the total Contract Price to a sum that exceeds one hundred twenty-five percent (125%) of the intermediate procurement threshold stated in subsection (1) of this Rule.

d. Subsection 1 of Rule 137-049-0160, Intermediate Procurements; Competitive Quotes and Amendments, is amended to read as follows:

- (1) **General.** Public Improvement Contracts estimated by the Contracting Agency to cost \$25,000 or more, but not to exceed \$100,000 may be Awarded in accordance with this rule.

e. The term “service-disabled veteran,” as used in City Rules 137-046-0210, 137-049-0370, and 137-049-0440, is amended to read “veteran, as defined by ORS 200.005,”

f. Subsection (6)(c) of Rule 137-049-0390 is amended to read:

Negotiation Prohibited. Except as allowed by Rules 137-049-0420(1) and 137-049-0430, the Contracting Agency shall not negotiate scope of Work or other terms or conditions under an Invitation to Bid process prior to Award.

g. The last sentence of Subsection (1) of Rule 137-049-0395 is amended to read:

This requirement does not apply to Award of a small, intermediate (informal competitive quotes) or emergency Public Improvement Contract awarded under ORS 279C.335(1)(c) or (d) or (6).

h. Subsections (6)(a) and (b) of Exemption-17, Personal Services, are hereby amended to increase the threshold of “\$10,000” to “\$25,000.”

i. The first paragraph of Exemption E-18, Liability Insurance Contracts, is hereby amended to read:

Contracts for insurance where either the annual or aggregate premium exceeds \$25,000 must be let using one of the following procedures:

3. **Legal Review**. In accordance with ORS 279A.065(6)(b), the City shall review its Public Contracting Rules, adopted herein, each time the Attorney General modifies its Model Rules to implement Oregon Public Contracting Code amendments adopted after the 2023 legislative session in order to determine whether amendments are required to ensure statutory compliance.
4. **Continued Effect**. All unamended provisions of Resolution No. 3, Series 2023, and all rules adopted thereby, shall remain unchanged and in full force and effect.
5. This Resolution takes place immediately upon adoption.

ADOPTION:

This Resolution is passed and adopted on the _____ day of _____, 2024.

Rob Ward, Mayor
City Council

Rob Ward, Mayor, as President,
for the Local Contract Review Board

ATTEST:

ATTEST:

Lindsey White, City Recorder

Lindsey White, City Recorder,
as Secretary for the
Local Contract Review Board

PUBLIC CONTRACTING RULES

2023

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PUBLIC CONTRACTING RULES 2023

DIVISION 46

GENERAL PROVISIONS RELATED TO PUBLIC CONTRACTING

137-046-0100

Application; Federal Law Supremacy

(1) These Public Contracting Rules (Rules) set forth the rules of procedure for Public Contracting of Contracting Agencies subject to these Rules. These Rules consist of the following four divisions:

(a) This division 46, which is applicable to all Public Contracting;

(b) Division 47, which describes procedures for Public Contracting for Goods or Services, as defined in ORS 279B.005;

(c) Division 48, which describes procedures for Public Contracting for Architectural, Engineering and Land Surveying Services and Related Services; and

(d) Division 49, which describes procedures for Public Contracting for Construction Services.

(2) In the event of conflict between rules in this division 46 and rules in divisions 47, 48 and 49, the rules in divisions 47, 48 and 49 take precedence over the rules in this division 46.

(3) Except as otherwise expressly provided in ORS 279C.800 through ORS 279C.870, and notwithstanding ORS chapters 279A, 279B, and ORS 279C.005 through 279C.670, applicable federal statutes and regulations govern when federal funds are involved and the federal statutes or regulations conflict with any provision of ORS chapters 279A, 279B, and ORS 279C.005 through 279C.670 or these rules, or require additional conditions in Public Contracts not authorized by ORS chapters 279A, 279B, and ORS 279C.005 through 279C.670 or these Rules.

(4) These division 46 rules become effective upon adoption, and apply to Public Contracts first advertised, but if not advertised then entered into, on or after that date.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.030 & ORS 279A.065

137-046-0110

Definitions for the Rules

Unless the context of a specifically applicable definition in the Code requires otherwise, capitalized terms used in the Rules will have the meaning set forth in the division of the Rules in which they appear, and if not defined there, the meaning set forth in these division 46 rules, and if not defined there, the meaning set forth in the Code. The following terms, when capitalized in these Rules, shall have the meaning set forth below:

(1) “**Addendum**” or “**Addenda**” means an addition or deletion to, a material change in, or general interest explanation of a Solicitation Document.

(2) “**Award**” means, as the context requires, either the act or occurrence of the Contracting Agency’s identification of the Person with whom the Contracting Agency will enter into a Contract following the resolution of any protest of the Contracting Agency’s selection of that Person, and the completion of all Contract negotiations.

(3) “**Bid**” means a written response to an Invitation to Bid.

(4) “**Closing**” means the date and time announced in a Solicitation Document as the deadline for submitting Offers.

(5) “**Code**” means the Public Contracting Code, as defined in ORS 279A.010.

(6) “**Competitive Range**” means the Proposers with whom the Contracting Agency will conduct discussions or negotiations if the Contracting Agency intends to conduct discussions or negotiations in accordance with Rules 137-047-0262 or 137-049-0650.

(7) “**Contract**” means a contract for sale or other disposal, or a purchase, lease, or other acquisition, by a Contracting Agency of personal property, services, including personal services, public improvements, public works, minor alterations, or ordinary repair or maintenance necessary to preserve a public improvement. “Contract” does not include grants.

(8) “**Contract Price**” means, as the context requires, the maximum monetary obligation that a Contracting Agency either will or may incur under a Contract, including bonuses, incentives and contingency amounts, if the Contractor fully performs under the Contract.

(9) “**Contracting Agency**” means a public body authorized by law to conduct a procurement. “Contracting Agency” includes any person authorized by a Contracting Agency to conduct procurements on the Contracting Agency’s behalf.

(10) “**Contract Review Authority**” means the Local Contracting Agency’s Local Contract Review Board determined as set forth in ORS 279A.060.

- (11) **“Contractor”** means the Person with whom a Contracting Agency enters into a Contract.
- (12) **“DBE Disqualification”** means a disqualification, suspension or debarment pursuant to ORS 200.065, 200.075 or 279A.110.
- (13) **“Descriptive Literature”** means the Offeror's materials submitted to provide information concerning the products or services available in response to a Solicitation Document.
- (14) **“Electronic Advertisement”** means notice of a Contracting Agency's request for Offers, request for quotes, request for information or other document inviting participation in the Contracting Agency's Procurements available over the Internet via (a) the World Wide Web or some other Internet protocol; or (b) a Contracting Agency's Electronic Procurement System. An Electronic Advertisement may include a Solicitation Document.
- (15) **“Electronic Offer”** means a response to a Contracting Agency's request for Offers or request for quotes submitted to a Contracting Agency via email or through the Contracting Agency's Electronic Procurement System.
- (16) **“Electronic Procurement System”** means an information system that Persons may access through the Internet, using the World Wide Web or some other Internet protocol, or that Persons may otherwise remotely access using a computer, that enables a Contracting Agency to post Electronic Advertisements, receive Electronic Offers, and conduct other activities related to a Procurement.
- (17) **“Goods and Services”** or **“Goods or Services”** has the meaning set forth in ORS 279A.010(1)(j).
- (18) **“Invitation to Bid”** or **“ITB”** means all documents used for soliciting Bids in accordance with either ORS 279B.055, or 279C.335.
- (19) **“Offer”** means a written response to a Solicitation Document.
- (20) **“Offeror”** means a Person who submits an Offer.
- (21) **“Opening”** means the date, time and place announced in the Solicitation Document for the public opening of Written sealed Offers.
- (22) **“Person”** means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation or any other legal or commercial entity that has the legal capacity to enter into a contract.
- (23) **“Personal Services”** means the services or type of services performed under a Personal Services Contract.
- (24) **“Personal Services Contract”** or **“Contract for Personal Services”** means a contract primarily for the provision of services that require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. Such services include, but are not limited to, the services of architects, engineers, auditors and other licensed professionals, artists, designers, computer programmers, performers, consultants and property managers, unless specifically exempt from the Code. For any single contract or class of contracts, the Contracting Agency shall have the discretion to determine whether additional types of services not specifically mentioned in this definition are personal services.
- (25) **“Product Sample”** means a representative specimen of the item offered by the Offeror in response to the Solicitation Document. Unless otherwise provided in the Solicitation Document, the Product Sample shall be the exact product or a representative portion of that product offered by the Offeror.
- (26) **“Proposal”** means a written response to a Request for Proposals.
- (27) **“Request for Proposals”** or **“RFP”** means all documents used for soliciting Proposals in accordance with ORS.279B.060, 279C.110 or Rule 137-049-0650.
- (28) **“Responsible Offeror”** (also, **“Responsible Bidder”** or **“Responsible Proposer,”** as applicable) means a Person that has submitted an Offer and meets the standards set forth in Rules 137-047-0640 or 137-049-0390(2), and that has not been debarred or disqualified by the Contracting Agency under Rules 137-047-0575 or 137-049-0370. When used alone, **“Responsible”** means meeting the aforementioned standards.
- (29) **“Responsive Offer”** (also, **“Responsive Bid”** or **“Responsive Proposal,”** as applicable) means an Offer that substantially complies in all material respects with applicable solicitation requirements. When used alone, **“Responsive”** means having the characteristic of substantially complying in all material respects with applicable solicitation requirements.
- (30) **“Signed”** or **“Signature”** means any mark, word or symbol attached to or logically associated with a document and executed or adopted by a Person with the intent to be bound.
- (31) **“Solicitation Document”** means an Invitation to Bid, Request for Proposals or other document issued to invite Offers from prospective Contractors pursuant to ORS Chapter 279B or ORS Chapter 279C.
- (32) **“Specification”** means any description of the physical or functional characteristics, or of the nature of a supply, service or construction item, including any requirement for inspecting, testing or preparing a supply, service or construction item for delivery and the quantities or qualities of materials to be furnished under a Contract. Specifications generally will state the result to be obtained and may, on occasion, describe the method and manner of doing the Work to be performed.

(33) **“Work”** means the furnishing of all materials, equipment, labor and incidentals necessary to successfully complete any individual item in a Contract and successful completion of all duties and obligations imposed by the Contract.

(34) **“Written”** or **“Writing”** means conventional paper documents, whether handwritten, typewritten or printed, in contrast to spoken words. It also includes electronic transmissions or facsimile documents when required by applicable law or permitted by a Solicitation Document or Contract.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065

137-046-0120

Policy

Contracting Agencies subject to the Code shall conduct Public Contracting to further the policies set forth in ORS 279A.015, elsewhere in the Code, and in these Rules.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.015 & ORS 279A.065

137-046-0130

Application of the Code and Rules; Exceptions

(1) Except as set forth in this section, a Contracting Agency shall exercise all rights, powers and authority related to Public Contracting in accordance with the Code and these Rules.

(2) Neither the Code nor these Rules apply to the contracts or the classes of contracts described in ORS 279A.025(2).

(3) Contracting Agencies otherwise subject to the Code and these Rules may enter into Public Contracts under a federal program pursuant to ORS 279A.180 without following the procedures set forth in ORS 279B.050 through ORS 279B.085.

(4) Contracting Agencies otherwise subject to the Code and these Rules may enter into contracts for Goods or Services with non-profit agencies providing employment opportunities for disabled individuals pursuant to ORS 279.835 through 279.855 without following the source selection procedures set forth in either ORS 279A.200 through ORS 279A.225, or ORS 279B.050 through ORS 279B.085. However, Contracting Agencies must enter into such contracts in accordance with any applicable administrative rules promulgated by the Department of Administrative Services.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.050, ORS 279A.055, ORS 279A.065 & ORS 279A.180

MINORITIES, WOMEN AND EMERGING SMALL BUSINESSES

137-046-0200

Affirmative Action; Limited Competition Permitted

(1) Pursuant to ORS 279A.100, a Contracting Agency may limit competition on Public Contracts for Goods and Services, or on other Public Contracts with an estimated cost of \$50,000 or less to carry out affirmative action policies, in accordance with policies and procedures established by the Public Contracting Agency.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065 & ORS 279A.100

137-046-0210

Subcontracting to and Contracting with Emerging Small Businesses; DBE Disqualification

(1) As set forth in ORS 279A.105, a Contracting Agency may require a contractor to subcontract some part of a Contract to, or to obtain materials to be used in performing the Contract from:

(a) A business enterprise that is certified under ORS 200.055 as an emerging small business; or

(b) A business enterprise that is:

(A) Certified under ORS 200.055 as an emerging small business; and

(B) Is located in or draws its workforce from economically distressed areas, as designated by the Oregon Economic and Community Development Department.

(2) A subcontractor certified under ORS 200.055 as an emerging small business is located in or draws its workforce from economically distressed areas if:

(a) Its principal place of business is located in an area designated as economically distressed by the Oregon Economic and Community Development Department pursuant to administrative rules adopted by the Oregon Economic and Community Development Department; or

(b) The contractor certifies in writing to the Contracting Agency that a substantial number of the subcontractor's employees or subcontractors that will manufacture the goods or complete the services under the contract reside in an area designated as economically distressed by the Oregon Economic and Community Development Department pursuant to administrative rules adopted by the Oregon Economic and Community Development Department. For the purposes of making the foregoing determination, the Contracting Agency shall determine in each particular instance what proportion of a contractor's subcontractor's employees or subcontractors constitute a substantial number.

(3) Contracting Agencies shall include in each Solicitation Document a requirement that Offerors certify in their Offers in a form prescribed by the Contracting Agency, that the Offeror has not discriminated and will not discriminate against a subcontractor in the awarding of a subcontract because the subcontractor is certified under ORS 200.055 as a disadvantaged business enterprise, a minority-owned business, a woman-owned business, an emerging small business, or a business that a veteran, as defined in ORS 200.005, owns.

(4) DBE Disqualification.

(a) A Contracting Agency may disqualify a Person from consideration of Award of the Contracting Agency's Contracts under ORS 200.065(5), or suspend a Person's right to bid on or participate in any public contract pursuant to ORS 200.075(1) after providing the Person with notice and a reasonable opportunity to be heard in accordance with sections (d) and (e) of this section.

(b) The Contracting Agency shall provide Written notice to the Person of a proposed Disqualification. The Contracting Agency shall deliver the Written notice by personal service or by registered or certified mail, return receipt requested. This notice shall:

(A) State that the Contracting Agency intends to disqualify or suspend the Person;

(B) Set forth the reasons for the DBE Disqualification;

(C) Include a statement of the Person's right to a hearing if requested in Writing within the time stated in the notice and that if the Contracting Agency does not receive the Person's Written request for a hearing within the time stated, the Person shall have waived its right to a hearing;

(D) Include a statement of the authority and jurisdiction under which the hearing will be held;

(E) Include a reference to the particular sections of the statutes and rules involved;

(F) State the proposed DBE Disqualification period; and

(G) State that the Person may be represented by legal counsel.

(c) Hearing. The Contracting Agency shall schedule a hearing upon the Contracting Agency's receipt of the Person's timely request. The Contracting Agency shall notify the Person of the time and place of the hearing and provide information on the procedures, right of representation and other rights related to the conduct of the hearing prior to hearing.

(d) Notice of Disqualification. The Contracting Agency shall provide Written notice of the Disqualification to the Person. The Contracting Agency shall deliver the Written notice by personal service, or by registered or certified mail, return receipt requested. The notice shall contain:

(A) The effective date and period of DBE Disqualification;

(B) The grounds for DBE Disqualification; and

(C) A statement of the Person's appeal rights and applicable appeal deadlines.

(5) **Contract and Subcontract Conditions**. If a Contracting Agency awards a Contract to an Offeror that has been determined to be responsible under ORS 200.005(8) and 200.045(3), or awards a Contract under ORS 279A.100:

(a) The Contracting Agency must provide, as a material condition of the Contract:

(A) That the Contractor must maintain its certification under ORS 200.055 throughout the term of the Contract and any extensions (if the Contracting Agency used the certification as a factor in or as a basis for the Award of the Contract);

(B) That the Contractor must promptly pay each subcontractor that is certified under ORS 200.055 in accordance with ORS 279B.220, or 279C.570 and ORS 279C.580, whichever apply to the Contract;

(C) That the Contractor must include, in any subcontract the Contractor establishes in connection with the Contract, a provision that requires the subcontractor to maintain the subcontractor's certification under ORS 200.055 throughout the term of the subcontract and any extensions (if the Contractor used the certification as a factor in or as a basis for the Award of the subcontract);

(D) That the Contracting Agency may require the Contractor to terminate a subcontract with a subcontractor that fails to maintain its certification under ORS 200.055 throughout the term of the subcontract and any extensions.

(b) In the administration of Contracts that are subject to section (5) of this rule, the Contracting Agency must verify the Contractor's and any subcontractor's compliance with subsection (5)(a) of this rule.

(c) Subparagraph (5)(a)(A) of this section does not apply to an emerging small business that ceases to qualify as a tier one firm or a tier two firm (as ORS 200.005 defines those terms) due to the growth in the business's number of full-time equivalent employees or in average annual gross receipts during the term of the Contract. This section (5) does not apply to an emerging small business for which a certification under ORS 200.055 expires during the term of the Contract or any extensions.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 200.065, ORS 200.075, ORS 279A.065, ORS 279A.105, ORS 279A.107 & ORS 279A.110

CONTRACT PREFERENCES

137-046-0300

Preference for Oregon Goods and Services; Nonresident Bidders

(1) **Award When Offers Identical.** When a Contracting Agency receives Offers identical in price, fitness, availability and quality, and chooses to award a Contract, the Contracting Agency shall award the Contract based on the following order of precedence:

- (a) The Agency shall award the Contract to the Offeror among those submitting identical offers that is offering Goods or Services or Personal Services that have been manufactured or produced in Oregon.
- (b) If two or more Offerors submit identical Offers, and both offer Goods or Services or Personal Services manufactured or produced in Oregon, the Contracting Agency shall award the Contract by drawing lots among the identical Offers offering Goods or Services or Personal Services that have been manufactured or produced in Oregon. The Offerors that submitted the identical Offers subject to the drawing of lots shall be given notice and an opportunity to be present when the lots are drawn.
- (c) If the Contracting Agency receives identical Offers, and none of the identical Offers offer Goods or Services or Personal Services manufactured or produced in Oregon, then the Contracting Agency shall award the Contract by drawing lots among the identical Offers. The Offerors that submitted the identical Offers subject to the drawing of lots shall be given notice and an opportunity to be present when the lots are drawn.

(2) **Determining if Offers are Identical.** A Contracting Agency shall consider Offers identical in price, fitness, availability and quality as follows:

- (a) Bids received in response to an Invitation to Bid are identical in price, fitness, availability and quality if the Bids are Responsive, and offer the Goods or Services or Personal Services described in the Invitation to Bid at the same price.
- (b) Proposals received in response to a Request for Proposals are identical in price, fitness, availability and quality if they are Responsive and achieve equal scores when scored in accordance with the evaluation criteria set forth in the Request for Proposals.
- (c) Proposals received in response to a Special Procurement conducted pursuant to ORS 279B.085 are identical in price, fitness, availability and quality if, after completing the contracting procedure approved by the Contract Review Authority, the Contracting Agency determines, in writing, that two or more Proposals are equally advantageous to the Contracting Agency.
- (d) Offers received in response to an intermediate Procurement conducted pursuant to ORS 279B.070 are identical if the Offers equally best serve the interests of the Contracting Agency in accordance with ORS 279B.070(4).

(3) **Determining if Goods or Services or Personal Services are Manufactured or Produced in Oregon.**

For the purposes of complying with section 1 of this Rule, Contracting Agencies may request, either in a Solicitation Document, following Closing, or at any other time determined appropriate by the Contracting Agency, any information the Contracting Agency determines is appropriate and necessary to allow the Contracting Agency to determine if the Goods or Services or Personal Services are manufactured or produced in Oregon. A Contracting Agency may use any reasonable criteria to determine if Goods or Services or Personal Services are manufactured or produced in Oregon, provided that the criteria reasonably relate to that determination, and provided that the Contracting Agency applies those criteria equally to each Bidder or Proposer.

(4) **Procedure for Drawing Lots.** In any instance when this Section calls for the drawing of lots, the Contracting Agency shall draw lots by a procedure that affords each Offeror subject to the drawing a substantially equal probability of being selected, and that does not allow the person making the selection the opportunity to manipulate the drawing of lots to increase the probability of selecting one Offeror over another.

(5) **Discretionary Preference and Award.**

(a) Under ORS 279A.128, a Contracting Agency may provide, in a Solicitation Document for Goods, Services or Personal Services, a specified percentage preference of not more than: (i) ten percent for

Goods fabricated or processed entirely in Oregon or Services or Personal Services performed entirely in Oregon; or (ii) five percent for Goods or Services provided by a benefit company that is incorporated, organized, formed or created under ORS 60.754, that submits with a bid or proposal a certificate of existence issued under ORS 60.027 and has the majority of the benefit company's regular, full-time workforce located in Oregon at the time the benefit company submits the bid or proposal.

(b) When the Contracting Agency provides for a preference under this Section, and more than one Offeror qualifies for the preference, the Contracting Agency may give a further preference to a qualifying Offeror that resides in or is headquartered in Oregon.

(c) A Contracting Agency may establish a preference percentage higher than the percentages authorized in (5)(a) of this Rule by written order that finds good cause to establish the higher percentage and which explains the Contracting Agency's reasons and evidence for finding good cause to establish a higher percentage and which explains the Contracting Agency's reasons and evidence for finding good cause to establish a higher percentage.

(d) The Contracting Agency may not apply the preferences described in this Section in a Procurement for emergency work, minor alterations, ordinary repairs or maintenance of public improvements, or construction work that is described in ORS 297C.320.

Stat. Auth.: ORS 279A.065 & ORS 279A.128

Stats. Implemented: ORS 279A.065, ORS 279A.120 & ORS 279A.128

137-046-0310

Reciprocal Preferences

(1) When evaluating Bids pursuant to Rules 137-047-0255, 137-047-0257 or 137-049-0390, Contracting Agencies shall add a percentage increase to the Bid of a Nonresident Bidder equal to the percentage, if any, of the preference that would be given to that Bidder in the state in which the Bidder resides. A Contracting Agency may rely on the list prepared and maintained by the Department of Administrative Services pursuant to ORS 279A.120(4) to determine both (i) whether the Nonresident Bidder's state gives preference to in-state bidders, and (ii) the amount of such preference.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.120

137-046-0320

Preference for Recycled Materials

(1) In comparing goods from two or more Offerors, if at least one Offeror offers goods manufactured from recycled materials, and at least one Offeror does not, a Contracting Agency shall select the Offeror offering goods manufactured from recycled materials if each of the conditions specified in ORS 279A.125(2) exists. When making the determination under ORS 279A.125(2)(d), the Contracting Agency shall consider the costs of the goods following any adjustments the Contracting Agency makes to the price of the goods after evaluation pursuant to Rule 137-046-0310.

(2) For the purposes of this Section, a Contracting Agency shall determine if goods are manufactured from recycled materials in accordance with standards established by the Contracting Agency.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.125

COOPERATIVE PROCUREMENT

137-046-0400

Authority for Cooperative Procurements

(1) Contracting Agencies may participate in, sponsor, conduct or administer Joint Cooperative Procurements, Permissive Cooperative Procurements and Interstate Cooperative Procurements in accordance with ORS 279A.200 through 279A.225.

(2) Each Purchasing Contracting Agency shall determine, in Writing, whether the solicitation and award process for an Original Contract arising out of a Cooperative Procurement is substantially equivalent to those identified in ORS 279B.055, ORS 279B.060 or ORS 279B.085 consistent with ORS 279A.200(2).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.205

137-046-0410

Responsibilities of Administering Contracting Agencies and Purchasing Contracting Agencies

(1) If a Contracting Agency is an Administering Contracting Agency of a Cooperative Procurement, the Contracting Agency may establish the conditions under which Persons may participate in the Cooperative Procurements administered by the Administering Contracting Agency. Such conditions may include, without limitation, whether each Person that participates in the Cooperative Procurement must pay administrative fees to the Administering Contracting Agency, whether the participants must enter into a written agreement with the Administering Contracting Agency, or any other matters related to the administration of the Cooperative Procurement and the resulting Original Contract. A Contracting Agency that acts as an Administering Contracting Agency may, but is not required to, include provisions in the Solicitation Document for a Cooperative Procurement or advertise the Solicitation Document in a manner to assist Purchasing Contracting Agencies' compliance with the Code or these Rules.

(2) If a Contracting Agency, acting as a Purchasing Contracting Agency, enters into a Contract or Price Agreement based on a Cooperative Procurement, the Contracting Agency shall comply with the Code and these Rules, including without limitation those sections of the Code and these Rules that govern:

- (a) The extent to which the Purchasing Contracting Agency may participate in the Cooperative Procurement,
- (b) The advertisement of the solicitation document related to the Cooperative Procurement, and
- (c) Public notice of the Purchasing Contracting Agency's intent to establish Contracts or Price Agreements based on a Cooperative Procurement.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.205

137-046-0420

Joint Cooperative Procurements

A Contracting Agency that chooses to participate in, sponsor, conduct or administer a Joint Cooperative Procurement may do so only in accordance with ORS 279A.210.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.210

137-046-0430

Permissive Cooperative Procurements

A Contracting Agency that chooses to participate in, sponsor, conduct or administer a Permissive Cooperative Procurement may do so only in accordance with ORS 279A.215.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.215

137-046-0440

Advertisements of Intent to Establish Contracts or Price Agreements through a Permissive Cooperative Procurement

(1) A Purchasing Contracting Agency that wishes to enter into a Contract or Price Agreement arising out of a Permissive Cooperative Procurement must publish notice of its intent to do so if the Purchasing Contracting Agency estimates that it will spend in excess of \$250,000 on Goods and Services or Personal Services acquired under the Contract or Price Agreement.

(2) For purposes of determining whether a Purchasing Contracting Agency must give the notice required by Rule 137-046-0440(1), a Purchasing Contracting Agency will spend in excess of \$250,000 for Goods and Services acquired under a Contract or Price Agreement arising out of a Permissive Cooperative Procurement if:

- (a) The Purchasing Contracting Agency's Contract or Price Agreement arising out of the Permissive Cooperative Procurement expressly provides that the Purchasing Contracting Agency will make payments over the term of the Contract or Price Agreement that will, in aggregate, exceed \$250,000, whether or not the total amount or value of the payments is expressly stated;
- (b) The Purchasing Contracting Agency's Contract or Price Agreement arising out of the Permissive Cooperative Procurement expressly provides for a guaranteed maximum price, or a maximum not to exceed amount in excess of \$250,000; or
- (c) At the time the Purchasing Contracting Agency enters into the Contract or Price Agreement, the Purchasing Contracting Agency reasonably contemplates, based on historical or other data available to the Purchasing Contracting Agency, that the total payments it will make for Goods or Services or Personal Services under the Contract or Price Agreement will, in aggregate, exceed \$250,000 over the anticipated duration of the Contract or Price Agreement.

(3) The notice of intent required by Rule 137-046-0440(1) shall contain the information required by ORS 279A.215(2)(b), and Agency shall advertise the notice in the same manner as provided in ORS 279B.055(4)(b) and (c). Unless the Purchasing Contracting Agency sets forth a different time period in the notice, the Purchasing Contracting Agency shall give the notice required by this Section no fewer than 7 days before the deadline for submitting comments regarding the Purchasing Contracting Agency's intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement.

(4) An Administering Contracting Agency that intends to establish a Contract or Price Agreement arising out of the Permissive Cooperative Procurement it administers may satisfy the notice requirements set forth in Rules 137-046-0440(1) and (3) by including the information required by ORS 279A.215(2)(b) in the Solicitation Document related to the Permissive Cooperative Procurement, and including instructions in the Solicitation Document to potential Offerors describing how they may submit comments in response to the Administering Contracting Agency's intent to establish a Contract or Price Agreement through the Permissive Cooperative Procurement. The content and timing of such notice shall comply in all respects with ORS 279A.215(2), ORS 279A.215(3) and these Rules.

(5) The Purchasing Contracting Agency shall respond to any comments on its intent to establish a Contract or Price Agreement through a Permissive Cooperative Procurement as set forth in ORS 279A.215(3)(c).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.215

137-046-0450

Interstate Cooperative Procurements

A Contracting Agency that chooses to participate in, sponsor, conduct or administer an Interstate Cooperative Procurement may do so only in accordance with ORS 279A.220.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.220

137-046-0460

Advertisements of Interstate Cooperative Procurements

(1) The Solicitation Document for an Interstate Cooperative Procurement is advertised in Oregon for purposes of ORS 279A.220(2)(a) if it is advertised in Oregon in compliance with ORS 279B.055(4) or ORS 279B.060(4) by:

(a) The Administering Contracting Agency;

(b) The Purchasing Contracting Agency;

(c) The Cooperative Procurement Group, or a member of the Cooperative Procurement Group, of which the Purchasing Contracting Agency is a member; or

(d) Another Purchasing Contracting Agency that is subject to the Code, so long as such advertisement would, if given by the Purchasing Contracting Agency, comply with ORS 279B.055(4) or ORS 279B.060(4) with respect to the Purchasing Contracting Agency; or

(2) A Purchasing Contracting Agency or the Cooperative Procurement Group of which the Purchasing Contracting Agency is a member satisfies the advertisement requirement under ORS 279A.220(2)(b) if the notice is advertised in the same manner as provided in 279B.055(4)(b) and (c).

(3) The Purchasing Contracting Agency shall respond to any comments on its intent to establish a contract or price agreement through an Interstate Cooperative Procurement as set forth in ORS 279A.220(3)(c).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.220

137-046-0470

Protests and Disputes

(1) If a bidder or proposer wishes to protest the procurement process, the contents of a solicitation document related to a Cooperative Procurement, or the award or proposed award of an Original Contract, the bidder or proposer shall direct the protest to the Administering Contracting Agency, and the bidder or proposer shall make such protest in accordance with ORS 279B.400 through ORS 279B.425. If the Administering Contracting Agency is not subject to the Code, then bidders or proposers shall make such protests in accordance with the processes and procedures established by the Administering Contracting Agency.

(2) The failure of a Purchasing Contracting Agency to exercise any rights or remedies it has under a Contract or Price Agreement entered into through a Cooperative Procurement shall not affect the rights or remedies of any other Contracting Agency that participates in the Cooperative Procurement, including the Administering Contracting Agency, and shall not prevent any other Purchasing Contracting Agency from

exercising any rights or seeking any remedies that may be available to it under its own Contract or Price Agreement arising out of the Cooperative Procurement.

(3) Any other protests related to a Cooperative Procurement, or disputes related to a Contract or Price Agreement arising out of a Cooperative Procurement, shall be made and resolved as set forth in ORS 279A.225.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.225

137-046-0480

Contract Amendments

A purchasing Contracting Agency may amend a Contract entered into pursuant to a Cooperative Procurement as set forth in Rule 137-047-0800 for Goods and Service Contracts and Rule 137-049-0910 for Public Improvement Contracts.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

PUBLIC CONTRACTING RULES 2023

DIVISION 47

PUBLIC PROCUREMENTS FOR GOODS OR SERVICES GENERAL PROVISIONS

137-047-0100

Application

These division 47 rules implement ORS chapter 279B, Public Procurements and apply to the Procurement of Goods or Services. These division 47 rules become effective upon adoption, and apply to Contracts first advertised, but if not advertised then entered into, on or after that date.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.015

137-047-0110

Definitions

(1) "**Advantageous**" means in the Contracting Agency's best interests, as assessed according to the judgment of the Contracting Agency.

(2) "**Affected Person**" or "Affected Offeror" means a Person whose ability to participate in a Procurement is adversely affected by a Contracting Agency decision. See ORS 279B.410.

(3) "**Scope**" means the range and attributes of the Goods or Services described in the applicable Procurement document.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

SOURCE SELECTION

137-047-0250

Methods of Source Selection

Except as permitted by ORS 279B.065 through 279B.085 and ORS 279A.200 through 279A.225, a Contracting Agency shall Award a Public Contract for Goods or Services based on Offers received in response to either competitive sealed Bids pursuant to ORS 279B.055 or competitive sealed Proposals pursuant to ORS 279B.060

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.050

137-047-0255

Competitive Sealed Bidding

(1) **Generally.** A Contracting Agency may procure Goods or Services by competitive sealed bidding as set forth in ORS 279B.055. An Invitation to Bid is used to initiate a competitive sealed bidding solicitation and shall contain the information required by ORS 279B.055(2) and by section 2 of this rule. The Contracting Agency shall provide public notice of the competitive sealed bidding solicitation as set forth in 137-047-0300.

(2) **Invitation to Bid.** In addition to the provisions required by ORS 279B.055(2), the Invitation to Bid shall include the following:

(a) General Information.

(A) Notice of any pre-Offer conference as follows:

(i) The time, date and location of any pre-Offer conference;

(ii) Whether attendance at the conference will be mandatory or voluntary; and

(iii) A provision that provides that statements made by the Contracting Agency's representatives at the conference are not binding upon the Contracting Agency unless confirmed by Written Addendum.

(B) The form and instructions for submission of Bids and any other special information, e.g., whether Bids may be submitted by electronic means (See Rule 137-047-0330 for required provisions of electronic Bids);

(C) The time, date and place of Opening;

(D) The office where the Solicitation Document may be reviewed;

- (E) A statement that each Bidder must identify whether the Bidder is a "resident Bidder," as defined in ORS 279A.120(1);
- (F) Bidder's certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4). (See Rule 137-046-0210(3));
- (G) How the Contracting Agency will notify Bidders of Addenda and how the Contracting Agency will make Addenda available (See Rule 137-047-0430);
- (b) Contracting Agency Need. The character of the Goods or Services the Contracting Agency is purchasing including, if applicable, a description of the acquisition, Specifications, delivery or performance schedule, inspection and acceptance requirements. Pursuant to ORS 279B.055, the Contracting Agency's description of its need to purchase must:
- (A) Identify the scope of the work to be performed under the resulting Contract, if the Contracting Agency awards one;
- (B) Outline the anticipated duties of the Contractor under any resulting Contract;
- (C) Establish the expectations for the Contractor's performance of any resulting Contract; and
- (D) Unless the Contracting Agency for good cause specifies otherwise, the scope of work must require the Contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the goods or services that the Contracting Agency is purchasing.
- (c) Bidding and Evaluation Process.
- (A) The anticipated solicitation schedule, deadlines, protest process, and evaluation process;
- (B) The Contracting Agency shall set forth objective evaluation criteria in the Solicitation Document in accordance with the requirements of ORS 279B.055(6)(a). Evaluation criteria need not be precise predictors of actual future costs, but to the extent possible, such evaluation factors shall be reasonable estimates of actual future costs based on information the Contracting Agency has available concerning future use; and
- (C) If the Contracting Agency intends to Award Contracts to more than one Bidder pursuant to Rule 137-047-0600(4)(c), the Contracting Agency shall identify in the Solicitation Document the manner in which it will determine the number of Contracts it will Award.
- (d) Applicable preferences pursuant to ORS 279B.055(6)(b).
- (e) Contractor's certification of compliance with the Oregon tax laws in accordance with ORS 305.385 and ORS 279B.110(2)(e). See, Rule 137-047-0640(1)(c)(F)(v).
- (f) All Contract terms and conditions, including a provision indicating whether the Contractor can assign the Contract, delegate its duties, or subcontract the delivery of the Goods or Services without prior written approval from the Contracting Agency. Pursuant to ORS 279B.055, the Contract terms and conditions must specify the consequences of the Contractor's failure to perform the scope of work or to meet the performance standards established by the resulting Contract. Those consequences may include, but are not limited to:
- (A) The Contracting Agency's reduction or withholding of payment under the Contract;
- (B) The Contracting Agency's right to require the Contractor to perform, at the Contractor's expense, any additional work necessary to perform the statement of work or to meet the performance standards established by the resulting Contract; and
- (C) The Contracting Agency's rights, which the Contracting Agency may assert individually or in combination, to declare a default of the resulting Contract, to terminate the resulting Contract, and to seek damages and other relief available under the resulting Contract or applicable law.
- (3) **Good Cause**. For the purposes of this rule, "Good Cause" means a reasonable explanation for not requiring Contractor to meet the highest standards, and may include an explanation of circumstances that support a finding that the requirement would unreasonably limit competition or is not in the best interest of the Contracting Agency. The Contracting Agency shall document in the Procurement file the basis for the determination of Good Cause for specification otherwise. A Contracting Agency will have Good Cause to specify otherwise under the following circumstances:
- (a) The use or purpose to which the Goods or Services will be put does not justify a requirement that the Contractor meet the highest prevalent standards in performing the Contract;
- (b) Imposing express technical, standard, dimensional or mathematical specifications will better ensure that the Goods or Services will be compatible with or will operate efficiently or effectively with components, equipment, parts, Services or information technology including hardware, Services or software with which the Goods or Services will be used, integrated, or coordinated;
- (c) The circumstances of the industry or business that provides the Goods or Services are sufficiently volatile in terms of innovation or evolution of products, performance, techniques, scientific developments, that a reliable highest prevalent standard does not exist or has not been developed;
- (d) Any other circumstances in which Contracting Agency's interest in achieving economy, efficiency, compatibility or availability in the Procurement of the Goods or Services reasonably outweighs the

Contracting Agency's practical need for the highest prevalent standard in the applicable or closest industry or business that supplies the Goods or Services to be delivered under the resulting Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055

137-047-0257

Multistep Sealed Bidding

(1) **Generally.** A Contracting Agency may procure Goods or Services by using multistep sealed bidding under ORS 279B.055(12).

(2) **Phased Process.** Multistep sealed bidding is a phased Procurement process that seeks information or unpriced submittals in the first phase combined with regular competitive sealed bidding, inviting Bidders who submitted technically eligible submittals in the first phase to submit competitive sealed price Bids in the second phase. The Contract must be Awarded to the lowest Responsible Bidder.

(3) **Public Notice.** When a Contracting Agency uses multistep sealed bidding, the Contracting Agency shall give public notice for the first phase in accordance with Rule 137-047-0300. Public notice is not required for the second phase. However, a Contracting Agency shall give notice of the second phase to all Bidders, inform Bidders of the right to protest Addenda issued after the initial Closing under Rule 137-047-430, and inform Bidders excluded from the second phase of the right, if any, to protest their exclusion under Rule 137-047-0720.

(4) **Procedures Generally.** In addition to the procedures set forth in Rules 137-047-0300 through 137-047-0490, a Contracting Agency shall employ the procedures set forth in this rule for multistep sealed bidding and in the Invitation to Bid.

(5) Procedure for Phase One of Multistep Sealed Bidding.

(a) **Form.** A Contracting Agency shall initiate multistep sealed bidding by issuing an Invitation to Bid in the form and manner required for competitive sealed Bids except as provided in this Rule. In addition to the requirements set forth in Rule 137-047-0255(2), the multistep Invitation to Bid must state:

(A) That the solicitation is a multistep sealed Bid Procurement and describe the process the Contracting Agency will use to conduct the Procurement;

(B) That the Contracting Agency requests unpriced submittals and that the Contracting Agency will consider price Bids only in the second phase and only from those Bidders whose unpriced submittals are found eligible in the first phase;

(C) Whether Bidders must submit price Bids at the same time as unpriced submittals and, if so, that Bidders must submit the price Bids in a separate sealed envelope;

(D) The criteria to be used in the evaluation of unpriced submittals;

(b) **Evaluation.** The Contracting Agency shall evaluate unpriced submittals in accordance with the criteria set forth in the Invitation to Bid.

(6) Procedure for Phase Two of Multistep Sealed Bidding.

(a) **After** the completion of phase one, if the Contracting Agency does not cancel the Solicitation, the Contracting Agency shall invite each eligible Bidder to submit a price Bid.

(b) **A Contracting Agency** shall conduct phase two as any other competitive sealed Bid Procurement except:

(A) As specifically set forth in this Rule or the Invitation to Bid;

(B) No public notice need be given of the invitation to submit price Bids because such notice was previously given.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055

137-047-0260

Competitive Sealed Proposals

(1) **Generally.** A Contracting Agency may procure Goods or Services by competitive sealed Proposals as set forth in ORS 279B.060. A Request for Proposal is used to initiate a competitive sealed Proposal solicitation and shall contain the information required by ORS 279B.060(2) and by section 2 of this rule. The Contracting Agency shall provide public notice of the competitive sealed Proposal as set forth in Rule 137-047-0300.

(2) **Request for Proposal.** In addition to the provisions required by ORS 279B.060(2), the Request for Proposal shall include the following:

(a) General Information.

(A) Notice of any pre-Offer conference as follows:

(i) The time, date and location of any pre-Offer conference;

(ii) Whether attendance at the conference will be mandatory or voluntary; and

- (iii) A provision that provides that statements made by the Contracting Agency's representatives at the conference are not binding upon the Contracting Agency unless confirmed by Written Addendum.
- (B) The form and instructions for submission of Proposals and any other special information, e.g., whether Proposals may be submitted by electronic means (See Rule 137-047-0330 for required provisions of electronic Proposals);
- (C) The time, date and place of Opening;
- (D) The office where the Solicitation Document may be reviewed;
- (E) Proposer's certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4). (See Rule 137-046-0210(3)); and
- (F) How the Contracting Agency will notify Proposers of Addenda and how the Contracting Agency will make Addenda available. (See Rule 137-047-0430).
- (b) Contracting Agency Need. The character of the Goods or Services the Contracting Agency is purchasing including, if applicable, a description of the acquisition, Specifications, delivery or performance schedule, inspection and acceptance requirements. Pursuant to ORS 279B.060(2)(c), the Contracting Agency's description of its need to purchase must:
 - (A) Identify the scope of the work to be performed under the resulting Contract, if the Contracting Agency awards one;
 - (B) Outline the anticipated duties of the Contractor under any resulting Contract;
 - (C) Establish the expectations for the Contractor's performance of any resulting Contract; and
 - (D) Unless the Contractor under any resulting Contract will provide architectural, engineering, photogrammetric mapping, transportation planning and land surveying services or related services that are subject to ORS 279C.100 to 279C.125, or the Contracting Agency for Good Cause specifies otherwise, the scope of work must require the Contractor to meet the highest standards prevalent in the industry or business most closely involved in providing the Goods or Services that the Contracting Agency is purchasing.
- (c) Proposal and Evaluation Process.
 - (A) The anticipated solicitation schedule, deadlines, protest process, and evaluation process.
 - (B) The Contracting Agency may set forth selection criteria in the Solicitation Document per ORS 279B.060(3)(e). Evaluation criteria need not be precise predictors of actual future costs and performance, but to the extent possible, such factors shall:
 - (i) Afford the Contracting Agency the ability to compare the Proposals and Proposers, applying the same standards of comparison to all Proposers;
 - (ii) Rationally reflect Proposers' abilities to perform the resulting Contract in compliance with the Contract's requirements; and
 - (iii) Permit the Contracting Agency to determine the relative pricing offered by the Proposers, and to reasonably estimate the costs to the Contracting Agency of entering into a Contract based on each Proposal, considering information available to the Contracting Agency and subject to the understanding that the actual Contract costs may vary as a result of the Statement of Work ultimately negotiated or the quantity of Goods or Services for which the Contracting Agency contracts.
 - (C) If the Contracting Agency intends to Award Contracts to more than one Proposer pursuant to Rule 137-047-0600(4)(d), the Contracting Agency must identify in the Solicitation Document the manner in which it will determine the number of Contracts it will Award.
 - (d) Applicable Preferences, including those described in ORS 279A.120, 279A.125(2), 282.210, and Rules 137-046-0300 through 137-046-0330.
 - (e) For Contracting Agencies subject to ORS 305.385, Proposer's certification of compliance with the Oregon tax laws in accordance with ORS 305.385, as applicable and ORS 279B.110(2)(e). See, Rule 137-047-0640(1)(c)(F)(v).
 - (f) All contractual terms and conditions the Contracting Agency determines are applicable to the Procurement. The Contracting Agency's determination of contractual terms and conditions that are applicable to the Procurement may take into consideration, as authorized by ORS 279B.060(3), those contractual terms and conditions the Contracting Agency will not include in the Request for Proposal because the Contracting Agency either will reserve them for negotiation, or will request Proposers to offer or suggest those terms or conditions. (See Rule 137-047-0262.)
 - (g) As required by ORS 279B.060(2)(h), the Contract terms and conditions must specify the consequences of the Contractor's failure to perform the scope of work or to meet the performance standards established by the resulting Contract. Those consequences may include, but are not limited to:
 - (A) The Contracting Agency's reduction or withholding of payment under the Contract;
 - (B) The Contracting Agency's right to require the Contractor to perform, at the Contractor's expense, any additional work necessary to perform the scope of work or to meet the performance standards established by the resulting Contract; and

(C) The Contracting Agency's rights, which the Contracting Agency may assert individually or in combination, to declare a default of the resulting Contract, to terminate the resulting Contract, and to seek damages and other relief available under the resulting Contract or applicable law.

(3) The Contracting Agency may include the applicable contractual terms and conditions in the form of Contract provisions, or legal concepts to be included in the resulting Contract, and identify those contractual terms and conditions, if any, subject to negotiation per Rule 137-047-0262(3). Further, the Contracting Agency may specify that it will include or use Proposer's terms and conditions that have been pre-negotiated under Rule 137-047-0550, but the Contracting Agency may only include or use a Proposer's pre-negotiated terms and conditions in the resulting Contract to the extent those terms and conditions do not materially conflict with the applicable Contract terms and conditions. The Contracting Agency shall not agree to any Proposer's terms and conditions that were expressly rejected in a solicitation protest under Rule 137-047-0420.

(4) For multiple Award Contracts, the Contracting Agency may enter into Contracts with different terms and conditions with each Contractor to the extent those terms and conditions do not materially conflict with the applicable contractual terms and conditions. The Contracting Agency shall not agree to any Proposer's terms and conditions that were expressly rejected in a solicitation protest under Rule 137-047-0420.

(5) **Good Cause.** For the purposes of this rule, "Good Cause" means a reasonable explanation for not requiring Contractor to meet the highest standards, and may include an explanation of circumstances that support a finding that the requirement would unreasonably limit competition or is not in the best interest of the Contracting Agency will have Good Cause to specify otherwise under the following circumstances:

- (a) The use or purpose to which the Goods or Services will be put does not justify a requirement that the Contractor meet the highest prevalent standards in performing the Contract;
- (b) Imposing express technical, standard, dimensional or mathematical specifications will better ensure that the Goods or Services will be compatible with, or will operate efficiently or effectively with, associated information technology, hardware, software, components, equipment, parts, or on-going Services with which the Goods or Services will be used, integrated, or coordinated;
- (c) The circumstances of the industry or business that provides the Goods or Services are sufficiently volatile in terms of innovation or evolution of products, performance techniques, or scientific developments, that a reliable highest prevalent standard does not exist or has not been developed;
- (d) Any other circumstances in which the Contracting Agency's interest in achieving economy, efficiency, compatibility or availability in the Procurement of the Goods or Services reasonably outweighs the Contracting Agency's practical need for the highest standard prevalent in the applicable or closest industry or business that supplies the Goods and Services to be delivered under the resulting Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060, ORS 279A.107 & ORS 279B.130

137-047-0261

Procedures for Competitive Range, Multi-tiered and Multistep Proposals

(1) **Generally.** A Contracting Agency may procure Goods or Services employing any combination of the methods of Contractor selection as set forth in ORS 279B.060(6)(b). In addition to the procedures set forth in Rules 137-047-0300 through 137-047-0490 for methods of Contractor selection, a Contracting Agency may provide for a multi-tiered or multi-step selection process that permits awards to the highest ranked proposer at any tier or step, calls for the establishment of a competitive range, or permits either serial or competitive simultaneous discussions or negotiations with one or more proposers. A Contracting Agency may employ one or more or any combination of the procedures set forth in this rule for competitive range, multi-tiered and multi-step proposals.

(2) When a Contracting Agency's Request for Proposals prescribes a multi-tiered or multistep Contractor selection process, a Contracting Agency nevertheless may, at the completion of any stage in the competition and on determining the Most Advantageous Proposer (or, in multiple-award situations, on determining the awardees of the Public Contracts), award a Contract (or Contracts) and conclude the Procurement without proceeding to subsequent stages. The Contracting Agency also may, at any time, cancel the Procurement under ORS 279B.100.

(3) **Exclusion Protest.** A Contracting Agency may provide before the notice of an intent to Award an opportunity for a Proposer to protest exclusion from the Competitive Range or from subsequent phases of multi-tiered or multistep sealed Proposals as set forth in Rule 137-047-0720.

(4) **Award Protest.** A Contracting Agency shall provide an opportunity to protest its intent to Award a Contract pursuant to ORS 279B.410 and Rule 137-047-0740. An Affected Offeror may protest, for any of the bases set forth in Rule 137-047-0720(2), its exclusion from the Competitive Range or from any phase of a multi-tiered or multistep sealed Proposal process, or may protest an Addendum issued following initial Closing, if the Contracting Agency did not previously provide Proposers the opportunity to protest the

exclusion or Addendum. The failure to protest shall be considered the Proposer's failure to pursue an administrative remedy made available to the Proposer by the Contracting Agency.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

137-047-0262

Competitive Range, Discussions and Negotiations

(1) When a Contracting Agency's solicitation process conducted under ORS 279B.060(8) calls for the Contracting Agency to establish a Competitive Range at any stage in the Procurement process, the Contracting Agency may do so as follows:

(a) Determining Competitive Range.

(A) The Contracting Agency may establish a Competitive Range after evaluating all Responsive Proposals in accordance with the evaluation criteria in the Request for Proposals. After evaluation of all Proposals in accordance with the criteria in the Request for Proposals, the Contracting Agency may determine and rank the Proposers in the Competitive Range. Notwithstanding the foregoing, however, in instances in which the Contracting Agency determines that a single Proposer has a reasonable chance of being determined the most Advantageous Proposer, the Contracting Agency need not determine or rank Proposers in the Competitive Range. In addition, notwithstanding the foregoing, a Contracting Agency may establish a Competitive Range of all Proposers to enter into discussions to correct deficiencies in Proposals.

(B) The Contracting Agency may establish the number of Proposers in the Competitive Range in light of whether the Contracting Agency's evaluation of Proposals identifies a number of Proposers who have a reasonable chance of being determined the most Advantageous Proposer, or whether the evaluation establishes a natural break in the scores of Proposers that indicates that a particular number of Proposers are closely competitive or have a reasonable chance of being determined the most Advantageous Proposer.

(b) Protesting Competitive Range. The Contracting Agency must provide Written notice to all Proposers identifying Proposers in the Competitive Range. A Contracting Agency may provide an opportunity for Proposers excluded from the Competitive Range to protest the Contracting Agency's evaluation and determination of the Competitive Range in accordance with Rule 137-047-0720.

(2) **Discussions.** The Contracting Agency may initiate oral or written discussions with all "eligible Proposers" on subject matter within the general scope of the Request for Proposals. In conducting discussions, the Contracting Agency:

(a) Shall treat all eligible Proposers fairly and shall not favor any eligible Proposer over another;

(b) May disclose other eligible Proposer's Proposals or discussions only in accordance with ORS 279B.060(8)(b) or (c);

(c) May adjust the evaluation of a Proposal as a result of discussions. The conditions, terms, or price of the Proposal may be changed during the course of the discussions provided the changes are within the scope of the Request for Proposals.

(d) At any time during the time allowed for discussions, the Contracting Agency may:

(A) Continue discussions with a particular eligible Proposer;

(B) Terminate discussions with a particular eligible Proposer and continue discussions with other eligible Proposers; or

(C) Conclude discussions with all remaining eligible Proposers and provide to the then-eligible Proposers, notice requesting best and final Offers.

(3) **Negotiations.** Contracting Agency may commence serial negotiations with the highest-ranked eligible Proposer or commence simultaneous negotiations with all eligible Proposers.

(a) The Contracting Agency may negotiate:

(A) The statement of Work;

(B) The Contract Price as it is affected by negotiating the statement of Work and other terms and conditions authorized for negotiation in the Request for Proposals or Addenda thereto; and

(C) Any other terms and conditions reasonably related to those authorized for negotiation in the Request for Proposals or Addenda thereto. Proposers shall not submit for negotiation, and a Contracting Agency shall not accept, alternative terms and conditions that are not reasonably related to those authorized for negotiation in the Request for Proposals or any Addendum.

(4) **Terminating Negotiations.** At any time during discussions or negotiations a Contracting Agency conducts under this rule, the Contracting Agency may terminate discussions or negotiations with the highest-ranked Proposer, or the eligible Proposer with whom it is currently discussing or negotiating, if the Contracting Agency reasonably believes that:

(a) The eligible Proposer is not discussing or negotiating in good faith; or

(b) Further discussions or negotiations with the eligible Proposer will not result in the parties agreeing to the terms and conditions of a Contract in a timely manner.

(c) Continuing Serial Negotiations. If the Contracting Agency is conducting serial negotiations and the Contracting Agency terminates negotiations with an eligible Proposer, the Contracting Agency may then commence negotiations with the next highest scoring eligible Proposer, and continue the sequential process until the Contracting Agency has either:

(A) Determined to Award the Contract to the eligible Proposer with whom it is currently discussing or negotiating; or

(B) Decided to cancel the Procurement under ORS 279B.100.

(d) Competitive Simultaneous Negotiations. If the Contracting Agency chooses to conduct competitive negotiations, the Contracting Agency may negotiate simultaneously with competing eligible Proposers. The Contracting Agency:

(A) Shall treat all eligible Proposers fairly and shall not favor any eligible Proposer over another;

(B) May disclose other eligible Proposers' Proposals or the substance of negotiations with other eligible Proposers only if the Contracting Agency notifies all of the eligible Proposers with whom the Contracting Agency will engage in negotiations of the Contracting Agency's intent to disclose before engaging in negotiations with any eligible Proposer.

(e) Any oral modification of a Proposal resulting from negotiations must be reduced to Writing.

(5) **Best and Final Offers**. If a Contracting Agency requires best and final Offers, a Contracting Agency must establish a common date and time by which eligible Proposers must submit best and final Offers. If a Contracting Agency is dissatisfied with the best and final Offers, the Contracting Agency may make a written determination that it is in the Contracting Agency's best interest to conduct additional discussions, negotiations or change the Contracting Agency's requirements and require another submission of best and final Offers. A Contracting Agency must inform all eligible Proposers that if they do not submit notice of withdrawal or another best and final Offer, their immediately previous Offers will be considered their best and final Offers. The Contracting Agency shall evaluate Offers as modified by the best and final Offer. The Contracting Agency shall conduct the evaluations as described in Rule 137-047-0600. The Contracting Agency may not modify evaluation factors or their relative importance after the date and time that best and final Offers are due.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.060

137-047-0263

Multistep Sealed Proposals

(1) **Generally**. A Contracting Agency may procure Goods or Services by using multistep competitive sealed Proposals pursuant to ORS 279.060(6)(b)(G).

(2) **Phased Process**. Multistep sealed Proposals is a phased Procurement process that seeks necessary information or un-priced technical Proposals in the initial phase and invites Proposers who submitted technically qualified Proposals in the initial phase to submit competitive sealed price Proposals on the technical Proposers in the final phase. The Contract shall be Awarded to the Responsible Proposer submitting the most Advantageous Proposal in accordance with the terms of the Solicitation Document applicable to the final phase. If time is a factor, the Contracting Agency may require Proposers to submit a separate sealed price Proposal during the initial phase to be opened after the technical evaluation.

(3) **Public Notice**. Whenever multistep sealed Proposals are used, public notice for the first phase shall be given in accordance with Rule 137-047-0300. Public notice is not required for the subsequent phases. However, a Contracting Agency shall give notice of the subsequent phases to all Proposers and inform any Proposers excluded from the subsequent phases of the right, if any, to protest exclusion pursuant to Rule 137-047-0720.

(4) Procedure for Phase One of Multistep Sealed Proposals.

(a) **Form**. Multistep sealed Proposals shall be initiated by the issuance of a Request for Proposal in the form and manner required for competitive sealed Proposals except as provided in this rule. In addition to the requirements set forth in Rule 137-047-0260(2), the multistep Request for Proposal shall state:

(A) That un-priced technical Proposals are requested;

(B) Whether price Proposals are to be submitted at the same time as un-priced technical Proposals; that if they are, such price Proposals shall be submitted in a separate sealed envelope;

(C) That the solicitation is a multistep sealed Proposal Procurement, and that priced Proposals will be considered only in the subsequent phases from those Proposers whose un-priced technical Proposals are found qualified in the first phase;

(D) The criteria to be used in the evaluation of un-priced technical Proposals;

(E) That the Contracting Agency, to the extent that it finds necessary, may conduct oral or written discussions of the un-priced technical Proposals;

- (F) That the Goods or Services being procured shall be furnished generally in accordance with the Proposer's technical Proposal as found to be finally qualified and shall meet the requirements of the Request for Proposal.
- (G) Whether Proposers excluded from subsequent phases have a right to protest the exclusion. Such information can be given or changed through Addenda.
- (b) Addenda to the Request for Proposal. After receipt of un-priced technical Proposals, Addenda to the Request for Proposal shall be distributed only to Proposers who submitted un-priced technical Proposals.
- (c) Receipt and Handling of Un-priced Technical Proposals. Un-priced technical Proposals need not be opened publicly.
- (d) Evaluation of Un-Priced Technical Proposals. Un-priced technical Proposals shall be evaluated solely in accordance with the criteria set forth in the Request for Proposal.
- (e) Discussion of Un-priced Technical Proposals. The Contracting Agency may seek clarification of a technical Proposal of any Proposer who submits a qualified, or potentially qualified technical Proposal. During the course of such discussions, the Contracting Agency shall not disclose any information derived from one un-priced technical Proposal to any other Proposer.
- (f) Methods of Contractor Selection for Phase One. In conducting phase one, a Contracting Agency may employ any combination of the methods of Contractor selection that call for establishment of a Competitive Range or include discussions, negotiations, or best and final Offers as set forth in this rule.
- (g) Procedure for Phase Two. On the completion of phase one, the Contracting Agency shall invite each qualified Proposer to submit price Proposals. A Contracting Agency shall conduct phase two as any other competitive sealed Proposal Procurement except as set forth in this rule. No public notice need be given of the request to submit price Proposals because such notice was previously given.

Stat. Auth.: ORS 279A.065
 Stats. Implemented: ORS 279B.060

137-047-0265
Small Procurements

- (1) **Generally**. For Procurements of Goods or Services less than or equal to \$25,000 a Contracting Agency may Award a Contract as a small Procurement pursuant to ORS 279B.065 by direct selection or award without any competitive or solicitation process.
- (2) **Amendments**. A Contracting Agency may amend a Public Contract Awarded as a small Procurement in accordance Rule 137-047-0800, but the cumulative amendments may not increase the total Contract Price to greater than one hundred twenty-five percent (125%) of the small procurement threshold stated in subsection (1) of this Rule.

Stat. Auth.: ORS 279A.065 & ORS 279B.065
 Stats. Implemented: ORS 279B.065

137-047-0270
Intermediate Procurements

- (1) **Generally**. For Procurements of Goods or Services greater than \$25,000 and less than or equal to \$250,000, a Contracting Agency may Award a Contract as an intermediate Procurement pursuant to ORS 279B.070.
- (2) **Written Solicitations**. For any intermediate Procurements, a Contracting Agency may use a Written solicitation to obtain quotes.
- (3) **Negotiations**. A Contracting Agency may negotiate with a Proposer to clarify its quote or offer or to effect modifications that will make the quote or offer acceptable or make the quote or offer more Advantageous to the Contracting Agency.
- (4) **Amendments**. A Contracting Agency may amend a Public Contract Awarded as an intermediate Procurement in accordance with Rule 137-047-0800, but the cumulative amendments may not increase the total Contract Price to a sum that exceeds one hundred twenty-five percent (125%) of the intermediate procurement threshold stated in subsection (1) of this Rule.

Stat. Auth.: ORS 279A.065 & ORS 279B.070
 Stats. Implemented: ORS 279B.070

137-047-0275
Sole-Source Procurements

- (1) **Generally**. A Contracting Agency may Award a Public Contract without competition as a sole-source Procurement, after documenting the procurement file with findings of current market research to support the

determination that the Goods or Services are available from only one seller or source. The findings shall also include:

(a) a brief description of the contract or contracts to be covered including contemplated future purchases;
(b) a description of the product or service to be purchased; and
(c) the reasons the Contracting Agency is seeking this procurement method, which shall include any of the following: (i) efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment, supplies, or services; or (ii) 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 (iii) the particular product is for use in a pilot or an experimental project; or (iv) other findings that support the conclusion that the Goods or Services are available from only one source. ORS 279B.075(2)(d).

(2) **Public Notice.** If, but for the Contracting Agency's determination that it may enter into a Contract as a sole-source, a Contracting Agency would be required to select a Contractor using source selection methods set forth in either ORS 279B.055 or ORS 279B.060, a Contracting Agency shall give public notice of the Contracting Agency's determination that the Goods or Services or class of Goods or Services are available from only one source in a manner similar to public notice of competitive sealed Bids under ORS 279B.055(4) and Rule 137-047-0300. The public notice shall describe the Goods or Services to be acquired by a sole-source Procurement, identify the prospective Contractor and include the date, time and place that protests are due. The Contracting Agency shall give such public notice at least seven (7) Days before Award of the Contract, unless otherwise set forth in the notice.

(3) **Protest.** An Affected Person may protest the Contract Review Authority's determination that the Goods or Services or class of Goods or Services are available from only one source in accordance with Rule 137-047-0710.

Stat. Auth.: ORS 279A.065 & ORS 279B.075

Stats. Implemented: ORS 279B.075

137-047-0280

Emergency Procurements

A Contracting Agency may Award a Public Contract as an Emergency Procurement pursuant to the requirements of ORS 279B.080. For an Emergency Procurement of construction services that are not public improvements, the Procurement shall be made with competition that is reasonable and appropriate under the circumstances, in conformance with ORS 279B.080(2).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.080

137-047-0285

Special Procurements

(1) **Generally.** A Contracting Agency may Award a Public Contract as a Special Procurement pursuant to the requirements of ORS 279B.085.

(2) **Public Notice.** A Contracting Agency shall give public notice of the Contract Review Authority's approval of a Special Procurement in the same manner as public notice of competitive sealed Bids under ORS 279B.055(4) and Rule 137-047-0300. The public notice shall describe the Goods or Services or class of Goods or Services to be acquired through the Special Procurement. The Contracting Agency shall give public notice of the approval of a Special Procurement at least seven (7) Days before Award of the Contract, unless a different time period is stated in the request for approval notice. Award may be made at the time of approval, contingent upon expiration of the protest period or issuance of a written disposition of any protest received.

(3) **Protest.** An Affected Person may protest the approval of a Special Procurement in accordance with ORS 279B.400 and Rule 137-047-0700.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.085

137-047-0290

Cooperative Procurements

A Contracting Agency may participate in, sponsor, conduct, or administer Cooperative Procurements as set forth in ORS 279A.200 through 279A.225 and Rules 137-046-0400 through 137-046-0480.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.205

PROCUREMENT PROCESS

137-047-0300

Public Notice of Solicitation Documents

(1) **Notice of Solicitation Documents; Fee.** A Contracting Agency shall provide public notice of every Solicitation Document in accordance with section (2) of this rule, unless exempt pursuant to Rules 137-047-0265 through 137-047-0285. The Contracting Agency may give additional notice using any method it determines appropriate to foster and promote competition, including:

(a) Mailing notice of the availability of the Solicitation Document to Persons that have expressed an interest in the Contracting Agency's Procurements; or

(b) Placing notice on the Contracting Agency's Electronic Procurement System; or

(c) Placing notice on the Contracting Agency's Internet World Wide Web site.

(2) **Advertising.** A Contracting Agency shall advertise every notice of a Solicitation Document as follows:

(a) The Contracting Agency shall publish the advertisement for Offers in accordance with the requirements of ORS 279B.055(4) and 279B.060(5); or

(b) A Contracting Agency may publish the advertisement for Offers on the Contracting Agency's Electronic Procurement System pursuant to Rule 137-047-0330 instead of publishing notice in a newspaper of general circulation as required by ORS 279B.055(4)(b).

(3) **Content of Advertisement.** All advertisements for Offers shall set forth:

(a) Where, when, how, and for how long the Solicitation Document may be obtained;

(b) A general description of the Goods or Services to be acquired;

(c) The interval between the first date of notice of the Solicitation Document given in accordance with subsection 2(a) or (b) above and Closing, which shall not be less than fourteen (14) Days for an Invitation to Bid and thirty (30) Days for a Request for Proposals, unless the Contracting Agency determines that a shorter interval is in the public's interest, and that a shorter interval will not substantially affect competition. However, in no event shall the interval between the first date of notice of the Solicitation Document given in accordance with subsection 2(a) or (b) above and Closing be less than seven (7) Days as set forth in ORS 279B.055(4)(f). The Contracting Agency shall document the specific reasons for the shorter public notice period in the Procurement file;

(d) The date that Persons must file applications for prequalification if prequalification is a requirement and the class or classes of Goods or Services for which Persons must be prequalified;

(e) The office where Contract terms, conditions and Specifications may be reviewed;

(f) The name, title and address of the individual authorized by the Contracting Agency to receive Offers;

(g) The scheduled Opening; and

(h) Any other information the Contracting Agency deems appropriate.

(4) **Posting Advertisement for Offers.** The Contracting Agency may post a copy of each advertisement for Offers at the principal business office of the Contracting Agency. An Offeror may obtain a copy of the advertisement for Offers upon request.

(5) **Fees.** The Contracting Agency may charge a fee or require a deposit for the Solicitation Document.

(6) **Notice of Addenda.** The Contracting Agency shall provide potential Offerors notice of any Addenda to a Solicitation Document in accordance with Rule 137-047-0430.

Stat. Auth.: ORS 279A.065, ORS 279B.055 & ORS 279B.060

Stats. Implemented: ORS 279B.055 & ORS 279B.060

137-047-0310

Bids or Proposals are Offers

(1) **Offer and Acceptance.** The Bid or Proposal is the Bidder's or Proposer's Offer to enter into a Contract. The Offer is a "Firm Offer," i.e., the Offer shall be held open by the Offeror for the Contracting Agency's acceptance for the period specified in Rule 137-047-0480. The Contracting Agency's Award of the Contract constitutes acceptance of the Offer and binds the Offeror to the Contract.

(a) In competitive bidding and competitive Proposals, the Offer is always a "Firm Offer," i.e. the Offer shall be held open by the Offeror for the Contracting Agency's acceptance for the period specified in Rule 137-047-0480. The Contracting Agency may elect to accept the Offer at any time during the specified period, and the Contracting Agency's Award of the Contract constitutes acceptance of the Offer and binds the Offeror to the Contract.

(b) Notwithstanding the fact that a competitive Proposal is a "Firm Offer" for the period specified in Rule 137-047-0480, the Contracting Agency may elect to discuss or negotiate certain contractual provisions, as identified in these rules or in the Solicitation Document, with the Proposer. Where negotiation is permitted by the rules or in the Solicitation Document, Proposers are obligated to negotiate in good faith and only on those terms or conditions that the rules or the Solicitation Document have reserved for negotiation.

(2) **Contingent Offers.** Except to the extent the Proposer is authorized to propose certain terms and conditions pursuant to Rule 137-047-0262, a Proposer shall not make its Offer contingent upon the Contracting Agency's acceptance of any terms or conditions (including Specifications) other than those contained in the Solicitation Document.

(3) **Offeror's Acknowledgment.** By Signing and returning the Offer, the Offeror acknowledges it has read and understands the terms and conditions contained in the Solicitation Document and that it accepts and agrees to be bound by the terms and conditions of the Solicitation Document. If the Request for Proposals permits proposal of alternative terms under Rule 137-047-0262, the Offeror's Offer includes the nonnegotiable terms and conditions and any proposed terms and conditions offered for negotiation upon and to the extent accepted by the Contracting Agency in Writing, and Offeror's agreement to perform the scope of work and meet the performance standards set forth in the final negotiated scope of work.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065, ORS 279B.055 & ORS 279B.60

137-047-0320

Facsimile Bids and Proposals

(1) **Contracting Agency Authorization.** A Contracting Agency may authorize Offerors to submit facsimile Offers. If the Contracting Agency determines that Bid or Proposal security is or will be required, the Contracting Agency should not authorize facsimile Offers unless the Contracting Agency has another method for receipt of such security. Prior to authorizing the submission of facsimile Offers, the Contracting Agency shall determine that the Contracting Agency's equipment and personnel are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the Contracting Agency shall establish administrative procedures and controls:

- (a) To receive, identify, record, and safeguard facsimile Offers;
- (b) To ensure timely delivery of Offers to the location of Opening; and
- (c) To preserve the Offers as sealed.

(2) **Provisions To Be Included in Solicitation Document.** In addition to all other requirements, if the Contracting Agency authorizes a facsimile Offer, the Contracting Agency will include in the Solicitation Document the following:

- (a) A provision substantially in the form of the following: "A 'facsimile Offer,' as used in this Solicitation Document, means an Offer, modification of an Offer, or withdrawal of an Offer that is transmitted to and received by the Contracting Agency via a facsimile machine";
- (b) A provision substantially in the form of the following: "Offerors may submit facsimile Offers in response to this Solicitation Document. The entire response must arrive at the place and by the time specified in this Solicitation Document";
- (c) A provision that requires Offerors to Sign their facsimile Offers;
- (d) A provision substantially in the form of the following: "The Contracting Agency reserves the right to Award the Contract solely on the basis of a facsimile Offer. However, upon the Contracting Agency's request the apparent successful Offeror shall promptly submit its complete original Signed Offer";
- (e) The data and compatibility characteristics of the Contracting Agency's receiving facsimile machine as follows:

(A) Telephone number; and

(B) Compatibility characteristics, e.g. make and model number, receiving speed, communications protocol; and

(f) A provision that the Contracting Agency is not responsible for any failure attributable to the transmission or receipt of the facsimile Offer including, but not limited to the following:

(A) Receipt of garbled or incomplete documents;

(B) Availability or condition of the receiving facsimile machine;

(C) Incompatibility between the sending and receiving facsimile machine;

(D) Delay in transmission or receipt of documents;

(E) Failure of the Offeror to properly identify the Offer documents;

(F) Illegibility of Offer documents; and

(G) Security and confidentiality of data.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

137-047-0330

Electronic Procurement

(1) Electronic Procurement Authorized.

(a) A Contracting Agency may conduct all phases of a Procurement, including without limitation the posting of Electronic Advertisements and the receipt of Electronic Offers, by electronic methods if and to the extent the Contracting Agency specifies in a Solicitation Document, a request for quotes, or any other Written instructions on how to participate in the Procurement.

(b) The Contracting Agency shall open an Electronic Offer in accordance with electronic security measures in effect at the Contracting Agency at the time of its receipt of the Electronic Offer. Unless the Contracting Agency provides procedures for the secure receipt of Electronic Offers, the Person submitting the Electronic Offer assumes the risk of premature disclosure due to submission in unsealed form.

(c) The Contracting Agency's use of electronic Signatures shall be consistent with applicable statutes and rules. A Contracting Agency may limit the use of electronic methods of conducting a Procurement as Advantageous to the Contracting Agency.

(d) If the Contracting Agency determines that Bid or Proposal security is or will be required, the Contracting Agency should not authorize Electronic Offers unless the Contracting Agency has another method for receipt of such security.

(2) **Rules Governing Electronic Procurements.** The Contracting Agency shall conduct all portions of an electronic Procurement in accordance with these division 47 rules, unless otherwise set forth in this rule.

(3) **Preliminary Matters.** As a condition of participation in an electronic Procurement the Contracting Agency may require potential Contractors to register with the Contracting Agency before the date and time on which the Contracting Agency will first accept Offers, to agree to the terms, conditions, or other requirements of a Solicitation Document, or to agree to terms and conditions governing the Procurement, such as procedures that the Contracting Agency may use to attribute, authenticate or verify the accuracy of an Electronic Offer, or the actions that constitute an electronic Signature.

(4) **Offer Process.** A Contracting Agency may specify that Persons must submit an Electronic Offer by a particular date and time, or that Persons may submit multiple Electronic Offers during a period of time established in the Electronic Advertisement. When the Contracting Agency specifies that Persons may submit multiple Electronic Offers during a specified period of time, the Contracting Agency must designate a time and date on which Persons may begin to submit Electronic Offers, and a time and date after which Persons may no longer submit Electronic Offers. The date and time after which Persons may no longer submit Electronic Offers need not be specified by a particular date and time, but may be specified by a description of the conditions that, when they occur, will establish the date and time after which Persons may no longer submit Electronic Offers. When the Contracting Agency will accept Electronic Offers for a period of time, then at the designated date and time that the Contracting Agency will first receive Electronic Offers, the Contracting Agency must begin to accept real time Electronic Offers on the Contracting Agency's Electronic Procurement System, and shall continue to accept Electronic Offers in accordance with subsection 5(b) of this rule until the date and time specified by the Contracting Agency, after which the Contracting Agency will no longer accept Electronic Offers.

(5) Receipt of Electronic Offers.

(a) When a Contracting Agency conducts an electronic Procurement that provides that all Electronic Offers must be submitted by a particular date and time, the Contracting Agency shall receive the Electronic Offers in accordance with these division 47 rules.

(b) When the Contracting Agency specifies that Persons may submit multiple Offers during a period of time, the Contracting Agency shall accept Electronic Offers, and Persons may submit Electronic Offers, in accordance with the following:

(A) Following receipt of the first Electronic Offer after the day and time the Contracting Agency first receives Electronic Offers the Contracting Agency shall post on the Contracting Agency's Electronic Procurement System, and updated on a real time basis, the lowest Electronic Offer price or the highest-ranking Electronic Offer. At any time before the date and time after which the Contracting Agency will no longer receive Electronic Offers, a Person may revise its Electronic Offer, except that a Person may not lower its price unless that price is below the then lowest Electronic Offer.

(B) A Person may not increase the price set forth in an Electronic Offer after the day and time that the Contracting Agency first accepts Electronic Offers.

(C) A Person may withdraw an Electronic Offer only in compliance with these division 47 rules. If a Person withdraws an Electronic Offer, it may not later submit an Electronic Offer at a price higher than that set forth in the withdrawn Electronic Offer.

(6) **Failure of the E-Procurement System.** In the event of a failure of the Contracting Agency's Electronic Procurement System that interferes with the ability of Persons to submit Electronic Offers, protest or to otherwise participate in the Procurement, the Contracting Agency may cancel the Procurement in

accordance with Rule 137-047-0660, or may extend the date and time for receipt of Electronic Offers by providing notice of the extension immediately after the Electronic Procurement System becomes available.

Stat. Auth.: ORS 279A.065 & ORS 279B.055
Stats. Implemented: ORS 279A.065

BID AND PROPOSAL PREPARATION

137-047-0400

Offer Preparation

- (1) **Instructions.** An Offeror shall submit and Sign its Offer in accordance with the instructions set forth in the Solicitation Document. An Offeror shall initial and submit any correction or erasure to its Offer prior to Opening in accordance with the requirements for submitting an Offer set forth in the Solicitation Document.
- (2) **Forms.** An Offeror shall submit its Offer on the form(s) provided in the Solicitation Document, unless an Offeror is otherwise instructed in the Solicitation Document.
- (3) **Documents.** An Offeror shall provide the Contracting Agency with all documents and descriptive literature required by the Solicitation Document.
- (4) **Electronic Submissions.** If the Solicitation Document permitted Electronic Offers under Rule 137-047-0330, an Offeror may submit its Offer electronically. The Contracting Agency shall not consider Electronic Offers unless authorized by the Solicitation Document.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065

137-047-0410

Offer Submission

- (1) **Product Samples and Descriptive Literature.** A Contracting Agency may require product samples or descriptive literature if the Contracting Agency determines either is necessary or desirable to evaluate the quality, features or characteristics of an Offer. The Contracting Agency will dispose of product samples, or make them available for the Offeror to retrieve in accordance with the Solicitation Document.
- (2) **Identification of Offers.**
 - (a) To ensure proper identification and handling, Offers shall be submitted in a sealed envelope appropriately marked or in the envelope provided by the Contracting Agency, whichever is applicable. If the Contracting Agency permits Electronic Offers or facsimile Offers in the Solicitation Document, the Offeror may submit and identify Electronic Offers or facsimile Offers in accordance with these division 47 rules and the instructions set forth in the Solicitation Document.
 - (b) The Contracting Agency is not responsible for Offers submitted in any manner, format or to any delivery point other than as required in the Solicitation Document.
- (3) **Receipt of Offers.** The Offeror is responsible for ensuring the Contracting Agency receives its Offer at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065

137-047-0420

Pre-Offer Conferences

- (1) **Purpose.** A Contracting Agency may hold pre-Offer conferences with prospective Offerors prior to Closing, to explain the Procurement requirements, obtain information, or to conduct site inspections.
- (2) **Required Attendance.** The Contracting Agency may require attendance at the pre-Offer conference as a condition for making an Offer.
- (3) **Scheduled Time.** If a Contracting Agency holds a pre-Offer conference, it shall be held within a reasonable time after the Solicitation Document has been issued, but sufficiently before the Closing to allow Offerors to consider information provided at that conference.
- (4) **Statements Not Binding.** Statements made by a Contracting Agency's representative at the pre-Offer conference do not change the Solicitation Document unless the Contracting Agency confirms such statements with a Written Addendum to the Solicitation Document.

(5) **Agency Announcement.** The Contracting Agency must set forth notice of any pre-Offer conference in the Solicitation Document in accordance with Rules 137-047-0255(2) or 137-047-0260(2).

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065

137-047-0430

Addenda to Solicitation Document

(1) **Issuance; Receipt.** The Contracting Agency may change a Solicitation Document only by Written Addenda. An Offeror shall provide Written acknowledgment of receipt of all issued Addenda with its Offer, unless the Contracting Agency otherwise specifies in the Addenda.

(2) **Notice and Distribution.** The Contracting Agency shall notify prospective Offerors of Addenda in a manner intended to foster competition and to make prospective Offerors aware of the Addenda. The Solicitation Document shall specify how the Contracting Agency will provide notice of Addenda and how the Contracting Agency will make the Addenda available before Closing, and at each subsequent step or tier of evaluation if the Contracting Agency will engage in a multistep competitive sealed Bid process in accordance with Rule 137-047-0257, or a multi-tiered or multistep competitive sealed Proposal process in accordance with Rules 137-047-0261 through 137-047-0263. The following is an example of how a Contracting Agency may specify how it will provide notice of Addenda: "Contracting Agency will not mail notice of Addenda, but will publish notice of any Addenda on Contracting Agency's web site. Addenda may be downloaded off the Contracting Agency's web site. Offerors should frequently check the Contracting Agency's web site until Closing, i.e., at least once weekly until the week of Closing and at least once daily the week of the Closing."

(3) **Timelines; Extensions.**

(a) The Contracting Agency shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The Contracting Agency may extend the Closing if the Contracting Agency determines prospective Offerors need additional time to review and respond to Addenda. Except to the extent required by a countervailing public interest, the Contracting Agency shall not issue Addenda less than 72 hours before the Closing unless the Addendum also extends the Closing.

(b) Notwithstanding subsection 3(a) of this rule, an Addendum that modifies the evaluation criteria, selection process or procedure for any tier of competition under a multistep sealed Bid or a multi-tiered or multistep sealed Proposal issued in accordance with ORS 279B.060(6)(d) and Rules 137-047-0261 through 137-047-0263 must be issued no fewer than five (5) Days before the beginning of that tier or step of competition, unless the Contracting Agency determines that a shorter period is sufficient to allow Offerors to prepare for that tier or step of competition. The Contracting Agency shall document the factors it considered in making that determination, which may include, without limitation, the scope of the changes to the Solicitation Document, the location of the remaining eligible Proposers, or whether shortening the period between issuing an Addendum and the beginning of the next tier or step of competition favors or disfavors any particular Proposer or Proposers.

(4) **Request for Change or Protest.** Unless a different deadline is set forth in the Addendum, an Offeror may submit a Written request for change or protest to the Addendum, as provided in Rule 137-047-0730, by the close of the Contracting Agency's next business day after issuance of the Addendum, or up to the last day allowed to submit a request for change or protest under Rule 137-047-0730, whichever date is later. If the date established in the previous sentence falls after the deadline for receiving protests to the Solicitation Document in accordance with Rule 137-047-0730, then the Contracting Agency may consider an Offeror's request for change or protest to the Addendum only, and the Contracting Agency shall not consider a request for change or protest to matters not added or modified by the Addendum. Notwithstanding any provision of this section (4) of this rule, a Contracting Agency is not required to provide a protest period for Addenda issued after initial Closing during a multi-tier or multistep Procurement process conducted pursuant to ORS 279B.055 or ORS 279B.060.

Stat. Auth.: ORS 279A.065 & ORS 279B.060
Stats. Implemented: ORS 279B.060

137-047-0440

Pre-Closing Modification or Withdrawal of Offers

(1) **Modifications.** An Offeror may modify its Offer in Writing prior to the Closing. An Offeror shall prepare and submit any modification to its Offer to the Contracting Agency in accordance with Rules 137-047-0400 and 137-047-0410, unless otherwise specified in the Solicitation Document. The Offeror shall mark the submitted modification as follows:

(a) Bid (or Proposal) Modification; and

(b) Solicitation Document Number (or other identification as specified in the Solicitation Document).

(2) Withdrawals.

(a) An Offeror may withdraw its Offer by Written notice submitted on the Offeror's letterhead, Signed by an authorized representative of the Offeror, delivered to the individual and location specified in the Solicitation Document (or the place of Closing if no location is specified), and received by the Contracting Agency prior to the Closing. The Offeror or authorized representative of the Offeror may also withdraw its Offer in person prior to the Closing, upon presentation of appropriate identification and evidence of authority satisfactory to the Contracting Agency.

(b) The Contracting Agency may release an unopened Offer withdrawn under subsection 2(a) of this rule to the Offeror or its authorized representative, after voiding any date and time stamp mark.

(c) The Offeror shall mark the Written request to withdraw an Offer as follows:

(A) Bid (or Proposal) Withdrawal; and

(B) Solicitation Document Number (or Other Identification as specified in the Solicitation Document).

(3) Documentation. The Contracting Agency shall include all documents relating to the modification or withdrawal of Offers in the appropriate Procurement file.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

137-047-0450

Receipt, Opening, and Recording of Offers; Confidentiality of Offers.

(1) **Receipt.** A Contracting Agency shall electronically or mechanically time-stamp or hand-mark each Offer and any modification upon receipt. The Contracting Agency shall not open the Offer or modification upon receipt, but shall maintain it as confidential and secure until Opening. If the Contracting Agency inadvertently opens an Offer or a modification prior to the Opening, the Contracting Agency shall return the Offer or modification to its secure and confidential state until Opening. The Contracting Agency shall document the resealing for the Procurement file (e.g. "Contracting Agency inadvertently opened the Offer due to improper identification of the Offer.").

(2) **Opening and Recording.** A Contracting Agency shall publicly open Offers including any modifications made to the Offer pursuant to Rule 137-047-0440(1). In the case of Invitations to Bid, to the extent practicable, the Contracting Agency shall read aloud the name of each Bidder, and such other information as the Contracting Agency considers appropriate. However, the Contracting Agency may withhold from disclosure information in accordance with ORS 279B.055(5)(c) and 279B.060(6). In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, the Contracting Agency will not read Offers aloud.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

137-047-0460

Late Offers, Late Withdrawals and Late Modifications

Any Offer received after Closing is late. An Offeror's request for withdrawal or modification of an Offer received after Closing is late. An Agency shall not consider late Offers, withdrawals or modifications except as permitted in Rules 137-047-0470 or 137-047-0262.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

137-047-0470

Mistakes

(1) **Generally.** To protect the integrity of the competitive Procurement process and to assure fair treatment of Offerors, a Contracting Agency should carefully consider whether to permit waiver, correction or withdrawal of Offers for certain mistakes.

(2) **Contracting Agency Treatment of Mistakes.** A Contracting Agency shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If the Contracting Agency discovers certain mistakes in an Offer after Opening, but before Award of the Contract, the Contracting Agency may take the following action:

(a) A Contracting Agency may waive, or permit an Offeror to correct, a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the Offer, or an insignificant mistake that can be waived or corrected without prejudice to other Offerors. Examples of minor informalities include an Offeror's failure to:

(A) Return the correct number of Signed Offers or the correct number of other documents required by the Solicitation Document;

(B) Sign the Offer in the designated block, provided a Signature appears elsewhere in the Offer, evidencing an intent to be bound; and

(C) Acknowledge receipt of an Addendum to the Solicitation Document, provided that it is clear on the face of the Offer that the Offeror received the Addendum and intended to be bound by its terms; or the Addendum involved did not affect price, quality or delivery.

(b) A Contracting Agency may correct a clerical error if the error is evident on the face of the Offer or other documents submitted with the Offer, and the Offeror confirms the Contracting Agency's correction in Writing. A clerical error is an Offeror's error in transcribing its Offer. Examples include typographical mistakes, errors in extending unit prices, transposition errors, arithmetical errors, instances in which the intended correct unit or amount is evident by simple arithmetic calculations (for example a missing unit price may be established by dividing the total price for the units by the quantity of units for that item or a missing, or incorrect total price for an item may be established by multiplying the unit price by the quantity when those figures are available in the Offer). In the event of a discrepancy, unit prices shall prevail over extended prices.

(c) A Contracting Agency may permit an Offeror to withdraw an Offer based on one or more clerical errors in the Offer only if the Offeror shows with objective proof and by clear and convincing evidence:

(A) The nature of the error;

(B) That the error is not a minor informality under this subsection or an error in judgment;

(C) That the error cannot be corrected or waived under subsection (b) of this section;

(D) That the Offeror acted in good faith in submitting an Offer that contained the claimed error and in claiming that the alleged error in the Offer exists;

(E) That the Offeror acted without gross negligence in submitting an Offer that contained a claimed error;

(F) That the Offeror will suffer substantial detriment if the Contracting Agency does not grant the Offeror permission to withdraw the Offer;

(G) That the Contracting Agency's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the Contracting Agency or the public it represents; and

(H) That the Offeror promptly gave notice of the claimed error to the Contracting Agency.

(d) The criteria in subsection (2)(c) of this rule shall determine whether a Contracting Agency will permit an Offeror to withdraw its Offer after Closing. These criteria also shall apply to the question of whether a Contracting Agency will permit an Offeror to withdraw its Offer without forfeiture of its Bid bond (or other Bid or Proposal security), or without liability to the Contracting Agency based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually awarded by the Contracting Agency, whether by Award to the next lowest Responsive and Responsible Bidder or the most Advantageous Responsive and Responsible Proposer, or by resort to a new solicitation.

(3) **Rejection for Mistakes.** The Contracting Agency shall reject any Offer in which a mistake is evident on the face of the Offer and the intended correct Offer is not evident or cannot be substantiated from documents submitted with the Offer.

(4) **Identification of Mistakes after Award.** The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake. Following Award, an Offeror is bound by its Offer, and may withdraw its Offer or rescind a Contract entered into pursuant to this division 47 only to the extent permitted by applicable law.

Stat. Auth.: ORS 279A.065 & ORS 279B.055

Stats. Implemented: ORS 279B.055

137-047-0480

Time for Agency Acceptance

An Offeror's Offer is a Firm Offer, irrevocable, valid and binding on the Offeror for not less than thirty (30) Days following Closing unless otherwise specified in the Solicitation Document.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

137-047-0490

Extension of Time for Acceptance of Offer

A Contracting Agency may request, orally or in Writing, that Offerors extend, in Writing, the time during which the Contracting Agency may consider their Offer(s). If an Offeror agrees to such extension, the Offer shall continue as a Firm Offer, irrevocable, valid and binding on the Offeror for the agreed-upon extension period.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

QUALIFICATIONS AND DUTIES

137-047-0500

Responsibility of Bidders and Proposers

Before Awarding a Contract, the Contracting Agency shall determine that the Bidder submitting the lowest Bid or Proposer submitting the most Advantageous Proposal is Responsible. The Contracting Agency shall use the standards set forth in ORS 279B.110 and Rule 137-047-0640(1)(c)(F) to determine if a Bidder or Proposer is Responsible. In the event a Contracting Agency determines a Bidder or Proposer is not Responsible it shall prepare a Written determination of non-Responsibility as required by ORS 279B.110 and shall reject the Offer.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.110

137-047-0525

Qualified Products Lists

A Contracting Agency may develop and maintain a qualified products list pursuant to ORS 279B.115.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.115

137-047-0550

Prequalification of Prospective Offerors

(1) A Contracting Agency may prequalify prospective Offerors pursuant to ORS 279B.120 and 279B.125.

(2) Notwithstanding the prohibition against revocation of prequalification in ORS 279B.120(3), a Contracting Agency may determine that a prequalified Offeror is not Responsible prior to Contract Award.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.120

137-047-0575

Debarment of Prospective Offerors

(1) **Generally.** A Contracting Agency may Debar prospective Offerors for the reasons set for the in ORS 279A.110 or after providing notice and the opportunity for hearing as set forth in ORS 279B.130.

(2) **Responsibility.** Notwithstanding the limitation on the term for Debarment in ORS 279B.130(1)(b), a Contracting Agency may determine that a previously Debarred Offeror is not Responsible prior to Contract Award.

(3) **Imputed Knowledge.** A Contracting Agency may attribute improper conduct of a Person or its affiliate or affiliates having a contract with a prospective Offeror to the prospective Offeror for purposes of Debarment where the impropriety occurred in connection with the Person's duty for or on behalf of, or with the knowledge, approval, or acquiescence of, the prospective Offeror.

(4) **Limited Participation.** A Contracting Agency may allow a Debarred Person to participate in solicitations and Contracts on a limited basis during the Debarment period upon Written determination that participation is Advantageous to a Contracting Agency. The determination shall specify the factors on which it is based and define the extent of the limits imposed.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.130

OFFER EVALUATION AND AWARD

137-047-0600

Offer Evaluation and Award

(1) **Contracting Agency Evaluation.** The Contracting Agency shall evaluate Offers only as set forth in the Solicitation Document, pursuant to ORS 279B.055(6)(a) and 279B.060(6)(b), and in accordance with applicable law. The Contracting Agency shall not evaluate Offers using any other requirement or criterion.

(a) Evaluation of Bids.

(A) Nonresident Bidders. In determining the lowest Responsive Bid, the Contracting Agency shall apply the reciprocal preference set forth in ORS 279A.120(2)(b) and Rule 137-046-0310 for Nonresident Bidders.

(B) **Public Printing.** The Contracting Agency shall for the purpose of evaluating Bids apply the public printing preference set forth in ORS 282.210.

(C) **Award When Bids are Identical.** If the Contracting Agency determines that one or more Bids are identical under Rule 137-046-0300, the Contracting Agency shall Award a Contract in accordance with the procedures set forth in Rule 137-046-0300.

(b) Evaluation of Proposals.

(A) **Award When Proposals are Identical.** If the Contracting Agency determines that one or more Proposals are identical under Rule 137-046-0300, the Contracting Agency shall Award a Contract in accordance with the procedures set forth in Rule 137-046-0300.

(B) **Public Printing.** The Contracting Agency shall for the purpose of evaluating Proposals apply the public printing preference set forth in ORS 282.210.

(c) Recycled Materials. When procuring Goods, the Contracting Agency shall give preference for recycled materials as set forth in ORS 279A.125 and Rule 137-046-0320.

(2) **Clarification of Bids or Proposals.** After Opening, a Contracting Agency may conduct discussions with apparent Responsive Offerors for the purpose of clarification to assure full understanding of the Offer. All Offers, in the Contracting Agency's sole discretion, needing clarification shall be accorded such an opportunity. The Contracting Agency shall document clarification of any Offer in the Procurement file.

(3) **Negotiations.**

(a) Bids. Except as permitted by section 2 of this rule, a Contracting Agency shall not negotiate with any Bidder. After Award of the Contract, the Contracting Agency and Contractor may only modify the Contract in accordance with Rule 137-047-0800.

(b) Requests for Proposals. A Contracting Agency may conduct discussions or negotiate with Proposers only in accordance with ORS 279B.060(6)(b) and Rule 137-047-0262. After Award of the Contract, the Contracting Agency and Contractor may only modify the Contract in accordance with Rule 137-047-0800.

(4) **Award.**

(a) General. If Awarded, the Contracting Agency shall Award the Contract to the Responsible Bidder submitting the lowest, Responsive Bid or the Responsible Proposer submitting the most Advantageous, Responsive Proposal. The Contracting Agency may Award by item, groups of items or the entire Offer provided such Award is consistent with the Solicitation Document and in the public interest.

(b) Multiple Items. An Invitation to Bid or Request for Proposals may call for pricing of multiple items of similar or related type with Award based on individual line item, group total of certain items, a "market basket" of items representative of the Contracting Agency's expected purchases, or grand total of all items.

(c) Multiple Awards - Bids.

(A) Notwithstanding subsection 4(a) of this rule, a Contracting Agency may Award multiple Contracts under an Invitation to Bid in accordance with the criteria set forth in the Invitation to Bid. Multiple Awards shall not be made if a single Award will meet the Contracting Agency's needs, including but not limited to adequate availability, delivery, service, or product compatibility. A multiple Award may be made if Award to two or more Bidders of similar Goods or Services is necessary for adequate availability, delivery, service or product compatibility. Multiple Awards may not be made for the purpose of dividing the Procurement into multiple solicitations, or to allow for user preference unrelated to utility or economy. A notice to prospective Bidders that multiple Contracts may be Awarded for any Invitation to Bid shall not preclude the Contracting Agency from Awarding a single Contract for such Invitation to Bid.

(B) If an Invitation to Bid permits the Award of multiple Contracts, the Contracting Agency shall specify in the Invitation to Bid the criteria it will use to choose from the multiple Contracts when purchasing Goods or Services.

(d) Multiple Awards – Proposals.

(A) Notwithstanding subsection 4(a) of this rule, a Contracting Agency may Award multiple Contracts under a Request for Proposals in accordance with the criteria set forth in the Request for Proposals. Multiple Awards shall not be made if a single Award will meet the Contracting Agency's needs, including but not limited to adequate availability, delivery, service or product compatibility. A multiple Award may be made if Award to two or more Proposers of similar Goods or Services is necessary for adequate availability, delivery, service or product compatibility. Multiple Awards may not be made for the purpose of dividing the Procurement into multiple solicitations, or to allow for user preference unrelated to obtaining the most Advantageous Contract. A notice to prospective Proposers that multiple Contracts may be Awarded for any Request for Proposals shall not preclude the Contracting Agency from Awarding a single Contract for such Request for Proposals.

(B) If a Request for Proposals permits the Award of multiple Contracts, the Contracting Agency shall specify in the Request for Proposals the criteria it will use to choose from the multiple Contracts when purchasing Goods or Services.

(e) Partial Awards. If after evaluation of Offers, the Contracting Agency determines that an acceptable Offer has been received for only parts of the requirements of the Solicitation Document:

- (A) The Contracting Agency may Award a Contract for the parts of the Solicitation Document for which acceptable Offers have been received; or
- (B) The Contracting Agency may reject all Offers and may issue a new Solicitation Document on the same or revised terms, conditions and Specifications.
- (f) All or none Offers. A Contracting Agency may Award all or none Offers if the evaluation shows an all or none Award to be the lowest cost for Bids or the most Advantageous for Proposals of those submitted.

Stat. Auth.: ORS 279A.065 & ORS 279B.060

Stats. Implemented: ORS 279B.055 & ORS 279B.060

137-047-0610

Notice of Intent to Award

- (1) **Notice of Intent to Award**. The Contracting Agency shall provide Written notice of its intent to Award to all Bidders and Proposers pursuant to ORS 279B.135 at least seven (7) Days before the Award of a Contract, unless the Contracting Agency determines that circumstances require prompt execution of the Contract, in which case the Contracting Agency may provide a shorter notice period in the Solicitation documents. The Contracting Agency shall document the specific reasons for the shorter notice period in the Procurement file.
- (2) **Finality**. The Contracting Agency's Award shall not be final until the later of the following:
- (a) The expiration of the protest period provided pursuant to Rule 137-047-0740; or
- (b) The Contracting Agency provides Written responses to all timely-filed protests denying the protests and affirming the Award.
- (3) If so provided in the Solicitation documents, said notice of intent to Award may be issued via facsimile or electronic data exchange.

Stat. Auth.: ORS 279A.065 & ORS 279B.135

Stats. Implemented: ORS 279B.135

137-047-0620

Documentation of Award

- (1) **Basis of Award**. After Award, the Contracting Agency shall make a record showing the basis for determining the successful Offeror part of the Contracting Agency's Procurement file.
- (2) **Contents of Award Record**. The Contracting Agency's record shall include:
- (a) For Bids:
- (A) Bids;
- (B) Completed Bid tabulation sheet; and
- (C) Written justification for any rejection of lower Bids.
- (b) For Proposals:
- (A) Proposals;
- (B) The completed evaluation of the Proposals;
- (C) Written justification for any rejection of higher scoring Proposals; and
- (D) If the Contracting Agency engaged in any of the methods of Contractor selection described in ORS 279B.060(6)(b) and Rules 137-047-0261 through 137-047-0263, written documentation of the content of any discussions, negotiations, best and final Offers, or any other procedures the Contracting Agency used to select a Proposer to which the Contracting Agency Awarded a Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

137-047-0630

Availability of Award Decisions

- (1) **Contract Documents**. To the extent required by the Solicitation Document, the Contracting Agency shall deliver to the successful Offeror a Contract, Signed purchase order, Price Agreement, or other Contract documents as applicable.
- (2) **Availability of Award Decisions**. A Person may obtain tabulations of Awarded Bids or evaluation summaries of Proposals for a minimal charge, in person or by submitting to the Contracting Agency a Written request accompanied by payment. The requesting Person shall provide the Solicitation Document number and enclose a self-addressed, stamped envelope. In addition, the Contracting Agency may make available tabulations of Bids and Proposals through the Electronic Procurement System of the Contracting Agency or the Contracting Agency's website.

(3) Availability of Procurement Files. After notice of intent to Award, the Contracting Agency shall make Procurement files available in accordance with applicable law.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.055 & ORS 279B.060

137-047-0640

Rejection of an Offer

(1) Rejection of an Offer.

(a) A Contracting Agency may reject any Offer as set forth in ORS 279B.100.

(b) The Contracting Agency shall reject an Offer upon the Contracting Agency's finding that the Offer:

(A) Is contingent upon the Contracting Agency's acceptance of terms and conditions (including Specifications) that differ from the Solicitation Document;

(B) Takes exception to terms and conditions (including Specifications) set forth in the Solicitation Document;

(C) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of the Solicitation Document or in contravention of applicable law;

(D) Offers Goods or Services that fail to meet the Specifications of the Solicitation Document;

(E) Is late;

(F) Is not in substantial compliance with the Solicitation Document; or

(G) Is not in substantial compliance with all prescribed public Procurement procedures.

(c) The Contracting Agency shall reject an Offer upon the Contracting Agency's finding that the Offeror:

(A) Has not been prequalified under ORS 279B.120 and the Contracting Agency required mandatory prequalification;

(B) Has been Debarred as set forth in ORS 279B.130 or has been disqualified pursuant to Rule 137-046-0210(4) (DBE Disqualification);

(C) Has not met the requirements of ORS 279A.105, if required by the Solicitation Document;

(D) Has not submitted properly executed Bid or Proposal security as required by the Solicitation Document;

(E) Has failed to provide the certification of non-discrimination required under ORS 279A.110(4); or

(F) Is non-Responsible. Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before Awarding a Contract, the Contracting Agency must have information that indicates that the Offeror meets the applicable standards of Responsibility. To be a Responsible Offeror, the Contracting Agency must determine pursuant to ORS 279B.110 that the Offeror:

(i) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or ability to obtain the resources and expertise, necessary to meet all contractual responsibilities; and

(ii) Has completed previous contracts of a similar nature with a satisfactory record of performance. A satisfactory record of performance means that to the extent the costs associated with and time available to perform a previous contract were within the Offeror's control, the Offeror stayed within the time and budget allotted for the Procurement and otherwise performed the contract in a satisfactory manner. A Contracting Agency should carefully scrutinize an Offeror's record of contract performance if the Offeror is or recently has been materially deficient in contract performance. In reviewing the Offeror's performance, the Contracting Agency should determine whether the Offeror's deficient performance was expressly excused under the terms of the contract, or whether the Offeror took appropriate corrective action. The Contracting Agency may review the Offeror's performance on both private and public contracts in determining the Offeror's record of contract performance. The Contracting Agency shall make its basis for determining an Offeror non-Responsible under this subparagraph part of the Procurement file pursuant to ORS 279B.110(2)(b);

(iii) Has a satisfactory record of integrity. An Offeror may lack integrity if a Contracting Agency determines the Offeror demonstrates a lack of business ethics such as violation of state environmental laws or false certifications made to a Contracting Agency. A Contracting Agency may find an Offeror non-Responsible based on the lack of integrity of any Person having influence or control over the Offeror (such as a key employee of the Offeror that has the authority to significantly influence the Offeror's performance of the Contract or a parent company, predecessor or successor Person). The standards for Debarment under ORS 279B.130 may be used to determine an Offeror's integrity. A Contracting Agency may find an Offeror non-responsible based on previous convictions of offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the Offeror's performance of a contract or subcontract. The Contracting Agency shall make its basis for determining that an Offeror is non-Responsible under this subparagraph part of the Procurement file pursuant to ORS 279B.110(2)(c);

(iv) Is legally qualified to contract with the Contracting Agency;

(v) Has attested in Writing that the Offeror complied with the tax laws of this state and of political subdivisions of this state. Such certification demonstrates Offeror's compliance with such law in a credible and convenient way; and

(vi) Has supplied all necessary information in connection with the inquiry concerning Responsibility. If the Offeror fails to promptly supply information requested by the Contracting Agency concerning Responsibility, the Contracting Agency shall base the determination of Responsibility upon any available information, or may find the Offeror non-Responsible.

(2) **Form of Business Entity.** For purposes of this rule, the Contracting Agency may investigate any Person submitting an Offer. The investigation may include that Person's officers, directors, owners, affiliates, or any other Person acquiring ownership of the Person to determine application of this rule or to apply the Debarment provisions of ORS 279B.130.

(3) **Notice.** Contracting Agency need not provide an Offeror with any notice in the event that its Offer is rejected. However, Contracting Agency will provide all Offerors with a Notice of Intent to Award, as required, pursuant to Rule 137-047-0610.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100, ORS 279B.110 & ORS 279B.130

137-047-0650

Rejection of All Offers

(1) **Rejection.** A Contracting Agency may reject all Offers as set forth in ORS 279B.100. The Contracting Agency shall notify all Offerors of the rejection of all Offers, along with the reasons for rejection of all Offers.

(2) **Criteria.** The Contracting Agency may reject all Offers based upon the following criteria:

(a) The content of or an error in the Solicitation Document, or the Procurement process unnecessarily restricted competition for the Contract;

(b) The price, quality or performance presented by the Offerors are too costly or of insufficient quality to justify acceptance of any Offer;

(c) Misconduct, error, or ambiguous or misleading provisions in the Solicitation Document threaten the fairness and integrity of the competitive process;

(d) Causes other than legitimate market forces threaten the integrity of the competitive process. These causes may include, without limitation, those that tend to limit competition, such as restrictions on competition, collusion, corruption, unlawful anti-competitive conduct, and inadvertent or intentional errors in the Solicitation Document;

(e) The Contracting Agency cancels the Procurement or solicitation in accordance with Rule 137-047-0660; or

(f) Any other circumstance indicating that Awarding the Contract would not be in the public interest.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

137-047-0660

Cancellation of Procurement or Solicitation

(1) **Cancellation in the Public Interest.** A Contracting Agency may cancel a Procurement or solicitation as set forth in ORS 279B.100.

(2) **Notice of Cancellation Before Opening.** If the Contracting Agency cancels a Procurement or solicitation prior to Opening, the Contracting Agency shall provide Written notice of cancellation in the same manner that the Contracting Agency initially provided notice of the solicitation. Such notice of cancellation shall:

(a) Identify the Solicitation Document;

(b) Briefly explain the reason for cancellation; and

(c) If appropriate, explain that an opportunity will be given to compete on any resolicitation.

(3) **Notice of Cancellation After Opening.** If the Contracting Agency cancels a Procurement or solicitation after Opening, the Contracting Agency shall provide Written notice of cancellation to all Offerors who submitted Offers.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

137-047-0670

Disposition of Offers if Procurement or Solicitation Canceled

(1) **Prior to Opening.** If the Contracting Agency cancels a Procurement or solicitation prior to Opening, the Contracting Agency shall return all Offers it received to Offerors unopened, provided the Offeror submitted its Offer in a hard copy format with a clearly visible return address. If there is no return address on the envelope, the Contracting Agency shall open the Offer to determine the source and then return it to the

Offeror. For Electronic Offers, the Contracting Agency shall delete the Offers from the Contracting Agency's Electronic Procurement System or information technology system.

(2) **After Opening.** If the Contracting Agency cancels a Procurement or solicitation after Opening, the Contracting Agency:

(a) May return Proposals in accordance with ORS 279B.060(6)(c); and.

(b) Shall keep Bids in the Procurement file.

(3) **Rejection of All Offers.** If the Contracting Agency rejects all Offers, the Contracting Agency shall keep all Proposals and Bids in the Procurement file.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.100

LEGAL REMEDIES

137-047-0700

Protests and Judicial Review of Special Procurements

(1) **Purpose.** An Affected Person may protest the approval of a Special Procurement. Pursuant to ORS 279B.400(1), before seeking judicial review of the approval of a Special Procurement, an Affected Person must file a Written protest with the Contract Review Authority for the Contracting Agency and exhaust all administrative remedies.

(2) **Delivery.** Notwithstanding the requirements for filing a writ of review under ORS chapter 34 pursuant to ORS 279B.400(4)(a), an Affected Person must deliver a Written protest to the Contract Review Authority for the Contracting Agency within seven (7) Days after the first date of public notice of the approval of a Special Procurement by the Contract Review Authority for the Contracting Agency, unless a different protest period is provided in the public notice of the approval of a Special Procurement.

(3) **Content of Protest.** The Written protest must include:

(a) A detailed statement of the legal and factual grounds for the protest;

(b) A description of the resulting harm to the Affected Person; and

(c) The relief requested.

(4) **Contract Review Authority Response.** The Contract Review Authority shall not consider an Affected Person's protest of the approval of a Special Procurement submitted after the timeline established for submitting such protest under this rule or such different time period as may be provided in the public notice of the approval of a Special Procurement. The Contract Review Authority shall issue a Written disposition of the protest in a timely manner. If the Contract Review Authority upholds the protest, in whole or in part, it may in its sole discretion implement the sustained protest in the approval of the Special Procurement, or revoke the approval of the Special Procurement.

(5) **Judicial Review.** An Affected Person may seek judicial review of the Contract Review Authority's decision relating to a protest of the approval of a Special Procurement in accordance with ORS 279B.400.

Stat. Auth.: ORS 279A.065 & ORS 279B.400

Stats. Implemented: ORS 279B.400

137-047-0710

Protests and Judicial Review of Sole-Source Procurements

(1) **Purpose.** For sole-source Procurements requiring public notice under Rule 137-047-0275, an Affected Person may protest the determination of the Contract Review Authority or designee that the Goods or Services or class of Goods or Services are available from only one source. Pursuant to ORS 279B.420(3)(f), before seeking judicial review, an Affected Person must file a Written protest with the Contract Review Authority or designee and exhaust all administrative remedies.

(2) **Delivery.** Unless otherwise specified in the public notice of the sole-source Procurement, an Affected Person must deliver a Written protest to the Contract Review Authority or designee within seven (7) Days after the first date of public notice of the sole-source Procurement, unless a different protest period is provided in the public notice of a sole-source Procurement.

(3) **Content of Protest.** The Written protest must include:

(a) A detailed statement of the legal and factual grounds for the protest;

(b) A description of the resulting harm to the Affected Person; and

(c) The relief requested.

(4) **Contract Review Authority Response.** The Contract Review Authority or designee shall not consider an Affected Person's sole-source Procurement protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the public notice of the sole-source Procurement. The Contract Review Authority or designee shall issue a Written disposition of the

protest in a timely manner. If the Contract Review Authority or designee upholds the protest, in whole or in part, the Contracting Agency shall not enter into a sole-source Contract.
(5) **Judicial Review.** Judicial review of the Contract Review Authority's or designee's disposition of a sole-source Procurement protest shall be in accordance with ORS 279B.420.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279B.075

137-047-0720

Protests and Judicial Review of Multi-Tiered and Multistep Solicitations

(1) **Purpose.** An Affected Offeror may protest exclusion from the Competitive Range or from subsequent tiers or steps of a solicitation in accordance with the applicable Solicitation Document. When such a protest is permitted by the Solicitation Document, then pursuant to ORS 279B.420(3)(f), before seeking judicial review, an Affected Offeror must file a Written protest with the Contracting Agency and exhaust all administrative remedies.

(2) **Basis for Protest.** An Affected Offeror may protest its exclusion from a tier or step of competition only if the Offeror is Responsible and submitted a Responsive Offer and but for the Contracting Agency's mistake in evaluating the Offeror's or other Offerors' Offers, the protesting Offeror would have been eligible to participate in the next tier or step of competition. (For example, the protesting Offeror must claim it is eligible for inclusion in the Competitive Range if all ineligible higher-scoring Offerors are removed from consideration, and that those ineligible Offerors are ineligible for inclusion in the Competitive Range because: their Proposals were not Responsive, or the Contracting Agency committed a substantial violation of a provision in the Solicitation Document or of an applicable Procurement statute or administrative rule, and the protesting Offeror was unfairly evaluated and would have, but for such substantial violation, been included in the Competitive Range.)

(3) **Delivery.** Unless otherwise specified in the Solicitation Document, an Affected Offeror must deliver a Written protest to the Contracting Agency within seven (7) Days after issuance of the notice of the Competitive Range or notice of subsequent tiers or steps.

(4) **Content of Protest.** The Affected Offeror's protest shall be in Writing and must specify the grounds upon which the protest is based.

(5) **Contracting Agency Response.** The Contracting Agency shall not consider an Affected Offeror's multi-tiered or multistep solicitation protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the Solicitation Document. The Contracting Agency shall issue a Written disposition of the protest in a timely manner. If the Contracting Agency upholds the protest, in whole or in part, the Contracting Agency may in its sole discretion either issue an Addendum under Rule 137-047-0430 reflecting its disposition or cancel the Procurement or solicitation under Rule 137-047-0660.

(6) **Judicial Review.** Judicial review of the Contracting Agency's decision relating to a multi-tiered or multistep solicitation protest shall be in accordance with ORS 279B.420.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279B.060

137-047-0730

Protests and Judicial Review of Solicitations

(1) **Purpose.**

(a) A prospective Offeror may protest the Procurement process or the Solicitation Document for a Contract solicited under ORS 279B.055, 279B.060 and 279B.085 as set forth in ORS 279B.405(2). Pursuant to ORS 279B.405(3), before seeking judicial review, a prospective Offeror must file a Written protest with the Contracting Agency and exhaust all administrative remedies.

(b) Specific Special Procurements. Notwithstanding section 1(a) of this rule, a Person may not protest, challenge, or review approval of a Special Procurement except in conformance with ORS 279B.400.

(2) **Delivery.** Unless otherwise specified in the Solicitation Document, a prospective Offeror must deliver a Written protest to the Contracting Agency not less than ten (10) Days prior to Closing.

(3) **Content of Protest.** In addition to the information required by ORS 279B.405(4), a prospective Offeror's Written protest shall include a statement of the desired changes to the Procurement process or the Solicitation Document that the prospective Offeror believes will remedy the conditions upon which the prospective Offeror based its protest.

(4) **Contracting Agency Response.** The Contracting Agency shall not consider a Prospective Offeror's solicitation protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the Solicitation Document. The Contracting Agency shall consider the protest if it is timely filed and meets the conditions set forth in ORS 279B.405(4). The

Contracting Agency shall issue a Written disposition of the protest in accordance with the timeline set forth in ORS 279B.405(6). If the Contracting Agency upholds the protest, in whole or in part, the Contracting Agency may in its sole discretion either issue an Addendum reflecting its disposition under Rule 137-047-0430 or cancel the Procurement or solicitation under Rule 137-047-0660.

(5) **Extension of Closing.** If the Contracting Agency receives a protest from a prospective Offeror in accordance with this rule, the Contracting Agency may extend Closing if the Contracting Agency determines an extension is necessary to consider and respond to the protest.

(6) **Clarification.** Prior to the deadline for submitting a protest, a prospective Offeror may request that the Contracting Agency clarify any provision of the Solicitation Document. The Contracting Agency's clarification to an Offeror, whether orally or in Writing, does not change the Solicitation Document and is not binding on the Contracting Agency unless the Contracting Agency amends the Solicitation Document by Addendum.

(7) **Judicial Review.** Judicial review of the Contracting Agency's decision relating to a solicitation protest shall be in accordance with ORS 279B.405.

Stat. Auth.: ORS 279A.065 & ORS 279B.405

Stats. Implemented: ORS 279B.405

137-047-0740

Protests and Judicial Review of Contract Award

(1) **Purpose.** An Offeror may protest the Award of a Contract, or the intent to Award of a Contract, whichever occurs first, if the conditions set forth in ORS 279B.410(1) are satisfied. An Offeror must file a Written protest with the Contracting Agency and exhaust all administrative remedies before seeking judicial review of the Contracting Agency's Contract Award decision. These administrative remedies apply to all public contracts awarded by Contracting Agency, including those awarded pursuant to an intermediate procurement.

(2) **Delivery.** Unless otherwise specified in the Solicitation Document, an Offeror must deliver a Written protest to the Contracting Agency within seven (7) Days after issuance of the notice of intent to Award the Contract, or Award of a Contract, whichever occurs first.

(3) **Content of Protest.** An Offeror's Written protest shall specify the grounds for the protest to be considered by the Contracting Agency pursuant to ORS 279B.410(2).

(4) **Contracting Agency Response.** The Contracting Agency shall not consider an Offeror's Contract Award protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the Solicitation Document. The Contracting Agency shall issue a Written disposition of the protest in a timely manner as set forth in ORS 279B.410(4). If the Contracting Agency upholds the protest, in whole or in part, the Contracting Agency may in its sole discretion either Award the Contract to the successful protestor or cancel the Procurement or solicitation.

(5) **Judicial Review.** Judicial review of the Contracting Agency's decision relating to a Contract Award protest shall be in accordance with ORS 279B.415.

Stat. Auth.: ORS 279A.065 & ORS 279B.410

Stats. Implemented: ORS 279B.410 & ORS 279B.415.

137-047-0745

Protests and Judicial Review of Qualified Products List Decisions

(1) **Purpose.** A prospective Offeror may protest the Contracting Agency's decision to exclude the prospective Offeror's Goods from the Contracting Agency's qualified products list under ORS 279B.115. A prospective Offeror must file a Written protest and exhaust all administrative remedies before seeking judicial review of the Contracting Agency's qualified products list decision.

(2) **Delivery.** Unless otherwise stated in the Contracting Agency's notice to prospective Offerors of the opportunity to submit Goods for inclusion on the qualified products list, a prospective Offeror must deliver a Written protest to the Contracting Agency within seven (7) Days after issuance of the Contracting Agency's decision to exclude the prospective Offeror's Goods from the qualified products list.

(3) **Content of Protest.** The prospective Offeror's protest shall be in Writing and must specify the grounds upon which the protest is based.

(4) **Contracting Agency Response.** The Contracting Agency shall not consider a prospective Offeror's qualified products list protest submitted after the timeline established for submitting such protest under this rule, or such different time period as may be provided in the Contracting Agency's notice to prospective Offerors of the opportunity to submit Goods for inclusion on the qualified products list. The Contracting Agency shall issue a Written disposition of the protest in a timely manner. If the Contracting Agency upholds the protest, it shall include the successful protestor's Goods on the qualified products list.

(5) **Judicial Review.** Judicial review of the Contracting Agency's decision relating to a qualified products list protest shall be in accordance with ORS 279B.425.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279B.115

137-047-0750

Judicial Review of Other Violations

Any violation of ORS chapter 279A or 279B by a Contracting Agency for which no judicial remedy is otherwise provided in the Public Contracting Code is subject to judicial review as set forth in ORS 279B.420.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279B.420

137-047-0760

Review of Prequalification and Debarment Decisions

Review of the Contracting Agency's prequalification and Debarment decisions shall be as set forth in ORS 279B.425.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279B.425

137-047-0800

Amendments to Contracts and Price Agreements

(1) **Generally.** A Contracting Agency may amend a Contract without additional competition in any of the following circumstances:

- (a) The amendment is within the scope of the Procurement as described in the Solicitation Documents, if any, or if no Solicitation Documents, as described in the sole source notice or the approved Special Procurement, if any. An amendment is not within the scope of the Procurement if the Agency determines that if it had described in the Procurement the changes to be made by the amendment, it would likely have increased competition or affected award of the Contract.;
- (b) These Rules otherwise permit the Contracting Agency to Award a Contract without competition for the goods or services to be procured under the Amendment.
- (c) The amendment is necessary to comply with a change in law that affects performance of the Contract.
- (d) The amendment results from renegotiation of the terms and conditions, including the Contract Price, of a Contract and the amendment is Advantageous to the Contracting Agency, subject to all of the following conditions:
 - (A) The Goods or Services to be provided under the amended Contract are the same as the Goods or Services to be provided under the unamended Contract.
 - (B) The Contracting Agency determines that, with all things considered, the amended Contract is at least as favorable to the Contracting Agency as the unamended Contract; and
 - (C) The renegotiated Contract will not increase or extend the total term of the original contract by more than one (1) year. Also, if multiple contracts with a single Contractor are restated as a single Contract, the term of the single Contract may not have a total term greater than one (1) year longer than the longest term of any of the prior Contracts.
- (e) If the Contract is the result of a Cooperative Procurement, the amended Contract may not materially change the terms, conditions, and prices of the Original Contract.

(2) **Small or Intermediate Contract.** A Contracting Agency may amend a Contract Awarded as a small or intermediate Procurement pursuant to Section 1 of this rule, provided also that the total increased Contract Price does not exceed amendment allowances set forth in Rule 137-047-0265(2) for small Procurements and Rule 137-047-0270(4) for intermediate Procurements.

(3) **Emergency Contract.** A Contracting Agency may amend a Contract Awarded as an emergency Procurement if the emergency justification for entering into the Contract still exists, and the amendment is necessary to address the continuing emergency.

(4) **Price Agreements.** A Contracting Agency may amend or terminate a Price Agreement as follows:

- (a) As permitted by the Price Agreement;
- (b) As permitted by this rule;
- (c) If the circumstances set forth in ORS 279B.140(2) exist; or
- (d) As permitted by applicable law.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279A.065

137-047-0810

Termination of Price Agreements

(1) A Contracting Agency may terminate a Price Agreement as follows:

- (a) As permitted by the Price Agreement.
- (b) If the circumstances set forth in ORS 279B.140(2) exist; or
- (c) As permitted by applicable law.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279B.140

PUBLIC CONTRACTING RULES 2023

DIVISION 48

CONSULTANT SELECTION: ARCHITECTURAL, ENGINEERING, PHOTOGRAMMETRIST, TRANSPORTATION PLANNING AND LAND SURVEYING SERVICES AND RELATED SERVICES CONTRACTS

137-048-0100

Application

These division 48 rules apply to the screening and selection of Architects, Engineers, Photogrammetrists, Transportation Planners, Land Surveyors and providers of Related Services under Contracts, and set forth the following procedures:

- (a) Procedures through which Contracting Agency selects Consultants to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, or Related Services; and
- (b) Two-tiered procedures for selection of Architects, Engineers, Photogrammetrists, Transportation Planners, Land Surveyors and providers of Related Services for certain public improvements owned and maintained by a Local Government.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.105

137-048-0110

Definitions

In addition to the definitions set forth in ORS 279A.010, 279C.100, and Rule 137-046-0110, the following definitions apply to these division 48 rules:

- (1) "**Consultant**" means an Architect, Engineer, Photogrammetrist, Transportation Planner, Land Surveyor or provider of Related Services. A Consultant includes a business entity that employs Architects, Engineers, Photogrammetrists, Transportation Planners, Land Surveyors or providers of Related Services, or any combination of the foregoing.
- (2) "**Estimated Fee**" means Contracting Agency's reasonably projected fee to be paid for a Consultant's services under the anticipated Contract, excluding all anticipated reimbursable or other non-professional fee expenses. The Estimated Fee is used solely to determine the applicable Contract solicitation method and is distinct from the total amount payable under the Contract.
- (3) "**Price Agreement**," for purposes of this Division 48, is limited to mean an agreement related to the procurement of Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, or Related Services, under agreed-upon terms and conditions, including, but not limited to terms and conditions of later work orders or task orders for Project-specific Services, and which may include price or Consultant compensation information, with:
 - (a) No guarantee of a minimum or maximum purchase; or
 - (b) An initial work order, task order or minimum purchase, combined with a continuing Consultant obligation to provide Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services in which the Contracting Agency does not guarantee a minimum or maximum additional purchase.
- (4) "**Project**" means all components of a Contracting Agency's planned undertaking that gives rise to the need for a Consultant's Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, or Related Services, under a Contract.
- (5) "**Transportation Planning Services**" are defined in ORS 279C.100. Transportation Planning Services include only Project-specific transportation planning involved in the preparation of categorical exclusions, environmental assessments, environmental impact statements and other documents required for compliance with the National Environmental Policy Act, 42 USC 4321 et. seq. Transportation Planning Services do not include transportation planning for corridor plans, transportation system plans, interchange area management plans, refinement plans and other transportation plans not directly associated with an individual Project that will require compliance with the National Environmental Policy Act, 42 USC 4321 et. seq. Transportation Planning Services also do not include transportation planning for Projects not subject to the National Environmental Policy Act, 42 USC 4321 et. seq.
- (6) "**Related Services**" means personal services, other than architectural, engineering, photogrammetric, mapping, Transportation Planning or land surveying services, that are related to planning, designing, engineering or overseeing public improvement projects or components of public improvements, including, but not limited to, landscape architectural services, facilities planning services, energy planning services, space planning services, hazardous substances or hazardous waste or toxic substances testing services, cost estimating services, appraising services,

material testing services, mechanical system balancing services, commissioning services, project management services, construction management services, and owner's representation services or land-use planning services.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.105

137-048-0120

[Reserved.]

137-048-0130

Applicable Selection Procedures; Pricing Information; Disclosure of Proposals; Conflicts of Interest

(1) When selecting the most qualified Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, Contracting Agency shall follow the applicable selection procedure under either Rule 137-048-0200 (Direct Appointment Procedure), 137-048-0210 (Informal Selection Procedure) or 137-048-0220 (Formal Selection Procedure). In following the Direct Appointment Procedure under Rule 137-048-0200, Contracting Agency may base its selection of a consultant on any information available to Agency.

(2) When selecting Consultants to perform Related Services, Contracting Agency shall follow either its Division 47 or Division 48 rules, as determined in its sole discretion.

(3) A Contracting Agency has established Price Agreements with more than one Consultant and is selecting a single Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services under an individual work order or task order. Provided, however, the criteria and procedures the Contracting Agency uses to select a single Consultant, when the Contracting Agency has established Price Agreements with more than one Consultant, must meet the requirements of Rule 137-048-0270 (Price Agreements).

(4) Contracting Agency may use electronic methods to screen and select a Consultant in accordance with the procedures described in Rule 137-047-0330 (Electronic Procurement).

(5) For purposes of these division 48 rules, a "mixed" Contract is one requiring the Consultant to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, and also provide Related Services, other Services or other related Goods under the Contract. A Contracting Agency's classification of a procurement that will involve a "mixed" Contract will be determined by the predominant purpose of the Contract. A Contracting Agency will determine the predominant purpose of the Contract by determining which of the Services involves the majority of the total Estimated Fee to be paid under the Contract. If the majority of the total Estimated Fee to be paid under the Contract is for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, the Contracting Agency shall comply with the requirements of ORS 279C.110 and Section (1) of this rule. If the majority of the total Estimated Fee to be paid under the Contract is for Related Services, the Contracting Agency shall comply with the requirements of ORS 279C.120 and Section (2) of this rule. If the majority of the total Estimated Fee to be paid under the Contract is for some other Services or Goods under the Public Contracting Code, the Contracting Agency shall comply with the applicable provisions of the Public Contracting Code and Divisions 46, 47 and 49 of these Rules that match the predominant purpose of the Contract.

(6) Consistent with the requirements of ORS 279C.107 and the remaining requirements of ORS 279C.100, 279C.105 and 279C.110 through 279C.125, the following provisions apply to proposals received by a Contracting Agency for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services:

(a) The term "competitive proposal," for purposes of ORS 279C.107, includes proposals submitted under these Division 48 Rules.

(b) In the limited circumstances permitted by ORS 279C.110, 279C.115 and 279C.120, where the Contracting Agency is conducting discussions or negotiations with proposers who submit proposals that the Contracting Agency has determined to be closely competitive or to have a reasonable chance of being selected for award, the Contracting Agency may open proposals so as to avoid disclosure of proposal contents to competing Proposers, consistent with the requirements of ORS 279C.107. Otherwise, Contracting Agency may open proposals in such a way as to avoid disclosure of the contents until after the Contracting Agency executes a Contract with the selected Consultant. If the Contracting Agency determines that it is in the best interest of the Contracting Agency to do so, the Contracting Agency may make proposals available for public inspection following the Contracting Agency's issuance of a notice of intent to award a Contract to a Consultant.

(c) Disclosure of proposals and proposal information is otherwise governed by ORS 279C.107.

(7) Per ORS 279C.307, pertaining to requirements to ensure the objectivity and independence of providers of certain Personal Services which are procured under ORS chapter 279C, and unless permitted by ORS 279C.307(3), Contracting Agency may not:

(a) Procure services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a public contract from a Contractor or an affiliate of a Contractor who is a party to the Public

Contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the Services; or

(b) Procure services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a public contract through the Public Contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the Services.

(8) The requirements of ORS 279C.307 and Section (7) of this rule apply in the following circumstances, except as provided in Section (9) of this rule:

(a) A Contracting Agency requires the Procurement of Personal Services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a Public Contract or performance under a Public Contract that is subject to ORS chapter 279C. A Public Contract that is "subject to ORS chapter 279C" includes a Public Contract for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, a Public Contract for Related Services or a Public Contract for construction services under ORS chapter 279C.

(b) The Procurements of Personal Services subject to the restrictions of ORS 279C.307 include, but are not limited to, the following:

(A) Procurements for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, which involve overseeing or monitoring the performance of a construction Contractor under a Public Contract for construction services subject to ORS chapter 279C;

(B) Procurements for commissioning services, which involve monitoring, inspecting, evaluating or otherwise overseeing the performance of a Contractor providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or the performance of a construction Contractor under a Public Contract for construction services subject to ORS chapter 279C;

(C) Procurements for project management services, which involve administration, management, monitoring, inspecting, evaluating compliance with or otherwise overseeing the performance of a Contractor providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, construction services subject to ORS chapter 279C, commissioning services or other Related Services for a Project;

(D) Procurements for special inspections and testing services, which involve inspecting, testing or otherwise overseeing the performance of a construction Contractor under a Public Contract for construction services subject to ORS chapter 279C; and

(E) Procurements for other Related Services or Personal Services, which involve administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing the Public Contracts described in Section (8)(a) of this rule.

(9) The restrictions of ORS 279C.307 do not apply in the following circumstances, except as further specified below:

(a) To a Contracting Agency's Procurement of both design services and construction services through a single "Design-Build" Procurement, as that term is defined in Rule 137-049-0610. Such a Design-Build Procurement includes a Procurement under an Energy Savings Performance Contract, as defined in ORS 279A.010. Provided, however, the restrictions of ORS 279C.307 do apply to a Contracting Agency's Procurement of Personal Services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a Design-Build Contract or performance under such a Contract resulting from a Design-Build Procurement; and

(b) To a Contracting Agency's Procurement of both pre-construction services and construction services through a single "Construction Manager/General Contractor" Procurement, as defined in Rule 137-049-0610. Provided, however, the restrictions of ORS 279C.307 do apply to a Contracting Agency's Procurement of Personal Services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a Construction Manager/General Contractor Contract or performance under such a Contract resulting from a Construction Manager/General Contractor Procurement.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.100-279C.125

SELECTION PROCEDURES

137-048-0200

Direct Appointment Procedure

(1) Contracting Agency may enter into a Contract directly with a Consultant without following the selection procedures set forth elsewhere in these rules if:

(a) Contracting Agency finds that an Emergency exists; or

(b) The Estimated Fee to be paid under the Contract does not exceed \$100,000; or

(c) The following requirements are met:

(A) The services consist of or are related to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services that have been substantially described, planned or otherwise previously studied in an earlier Contract with the same Consultant and are rendered for the same Project

as the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services rendered under the earlier Contract; and

(B) Contracting Agency used either the formal selection procedure under Rule 137-048-0220 (Formal Selection Procedure) or the formal selection procedure applicable to selection of the Consultant at the time of original selection to select the Consultant for the earlier Contract.

(d) Continuation of Project With Extensive Estimated Fee. Where a Project is being continued under subsection 1(c) of this rule, and the Estimated Fee is expected to exceed \$250,000, the Contracting Agency must make written findings that entering into a Contract with the Consultant, whether in the form of an amendment to an existing Contract or a separate Contract for the additional scope of services, will:

(A) Promote efficient use of public funds and resources and result in substantial cost savings to the Contracting Agency; and,

(B) Protect the integrity of the Public Contracting process and the competitive nature of the Procurement by not encouraging favoritism or substantially diminishing competition in the award of the Contract.

(2) Contracting Agency may select a Consultant for a Contract under this rule from any and all Consultants offering the required Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services that the Contracting Agency reasonably can identify under the circumstances.

(3) The Contracting Agency shall direct negotiations with a Consultant selected under this rule toward obtaining written agreement on:

(a) The Consultant's performance obligations and performance schedule;

(b) Payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services required under the Contract that is fair and reasonable to the Contracting Agency as determined solely by the Contracting Agency, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services; and

(c) Any other provisions the Contracting Agency believes to be in the Contracting Agency's best interest to negotiate.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279C.110 & ORS 279C.115

137-048-0210

Informal Selection Procedure

(1) Contracting Agency may use the informal selection procedure described in this rule to obtain a Contract if the Estimated Fee is expected not to exceed \$250,000.

(2) If using the informal selection procedure on the basis of qualifications alone or, for Related Services, on the basis of price and/or qualifications, Contracting Agency shall:

(a) Create a Request for Proposals that includes at a minimum the following:

(A) A description of the Project for which a Consultant's Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services are needed and a description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services that will be required under the resulting Contract;

(B) The anticipated Contract performance schedule;

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional services related to the Project, including construction services;

(D) The date and time Proposals are due and other directions for submitting Proposals;

(E) Criteria upon which the most qualified Consultant will be selected. Selection criteria may include, but are not limited to, the following:

(i) Consultant's specialized experience, capabilities and technical competence, which may be demonstrated with Consultant's proposed approach and methodology to meet the project requirements;

(ii) The amount and type of resources and number of experienced staff the Consultant has committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the Request for Proposals within the applicable time limits, including the current and projected workloads of such staff and the proportion of time such staff would have available for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services;

(iii) Proposed management techniques for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the Request for Proposals;

(iv) A Consultant's capability, experience and past performance history and record in providing similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services, including but not limited to quality of work, ability to meet schedules, cost control methods and Contract administration practices;

- (v) A Consultant's approach to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the Request for Proposals and design philosophy, if applicable;
 - (vi) A Consultant's geographic proximity to and familiarity with the physical location of the Project;
 - (vii) Volume of work, if any, previously awarded to a Consultant, with the objective of effecting equitable distribution of Contracts among qualified Consultants, provided such distribution does not violate the principle of selecting the most qualified Consultant for the type of professional services required;
 - (viii) A Consultant's ownership status and employment practices regarding women, minorities and emerging small businesses or historically underutilized businesses;
 - (ix) If the Contracting Agency complies with the additional requirements of Section (3) of this Rule or is selecting a Consultant to provide Related Services, pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead.
 - (F) A Statement that Proposers responding to the RFP do so solely at their expense, and Contracting Agency is not responsible for any Proposer expenses associated with the RFP;
 - (G) A statement directing Proposers to the protest procedures set forth in these Division 48 rules; and
 - (H) A sample form of the Contract.
- (b) Provide a Request for Proposals to a minimum of three (3) prospective Consultants drawn from any and all Consultants that the Contracting Agency reasonably can locate that offer the desired Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services, or any combination of the foregoing. If three (3) prospective Consultants cannot reasonably be located, Contracting Agency shall document its efforts in writing and provide the RFP to those Consultants that were located.
- (c) Review and rank all Proposals received according to the criteria set forth in the Request for Proposals.
- (3) Pricing policies, proposals or other pricing information may be used as part of the Contracting Agency's screening and selection process, if Contracting Agency:
- (a) States in the RFP:
 - (A) That the Contracting Agency will screen and select Consultants as provided in ORS 279C.110(5);
 - (B) How the Contracting Agency will rank proposals from Consultants, with a specific focus on:
 - (i) Which factors the Contracting Agency will consider in evaluating proposals, including pricing policies, proposals, or other pricing information; and
 - (ii) The relative weight in points or percentages the Contracting Agency will give each factor;
 - (C) An estimate of the cost of services the Contracting Agency seeks in the procurement;
 - (D) A sufficiently detailed scope of work to enable a Consultant to prepare a responsive Proposal.
 - (b) First evaluates each Consultant on the basis of the Consultant's qualifications to perform the services described in the solicitation document.
 - (c) Announces the evaluation scores and rank of each Consultant according to the solicitation criteria. The Contracting Agency may identify up to three (3) of the top-ranked prospective Consultants as qualified to perform the services sought and may request a pricing proposal from each. The pricing proposals:
 - (A) Must include:
 - (i) A schedule of hourly rates that the Consultant will charge for the work of each individual or each labor classification that will perform the services sought that is irrevocable for not less than ninety (90) days after the date of the Proposal; and
 - (ii) A reasonable estimate of hours that the Consultant will require to perform the services sought.
 - (B) May include, at the Contracting Agency's request, additional pricing information that is limited to:
 - (i) A description of each task proposed by Consultant;
 - (ii) A list of each individual or labor classification that will perform each task, together with the hourly rate that applies to each individual or labor classification; and
 - (iii) A list of reimbursable expenses, including travel expenses, that the Consultant expects to incur when providing the proposed services.
 - (d) Permits each top-ranked Consultant to withdraw from consideration for award if the Consultants does not wish to provide a price proposal.
 - (f) Completes the evaluation and selects a Consultant from among the identified top-ranked Consultants, giving not more than fifteen (15) percent weight to each Consultant's price proposal.
- (4) If Contracting Agency does not cancel the RFP after it reviews and ranks each Consultant, Contracting Agency will begin negotiating a Contract with the highest ranked Consultant. Contracting Agency shall direct negotiations toward obtaining written agreement on:
- (a) The Consultant's scope of services, performance obligations and performance schedule;
 - (b) Payment methodology, Consultant's rates and number of hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services required under the Contract that is fair and reasonable to the Contracting Agency as determined solely by the Contracting Agency, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services; and

- (c) Any other provisions the Contracting Agency believes to be in the Contracting Agency's best interest to negotiate.
- (5) The Contracting Agency shall, either orally or in writing, formally terminate negotiations with the highest ranked Consultant, if the Contracting Agency and Consultant are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The Contracting Agency may thereafter negotiate with the second ranked Consultant, and if necessary, with the third ranked Consultant, in accordance with Section (4) of this rule, and as limited by Section (3) of this rule to the identified top-ranked Consultants, if price was an evaluation criteria, until negotiations result in a Contract. If negotiations with any of the Consultants do not result in a Contract within a reasonable amount of time, the Contracting Agency may end the particular informal solicitation and thereafter may proceed with a new informal solicitation under this rule or proceed with a formal solicitation under Rule 137-048-0220 (Formal Selection Procedure).
- (6) The Contracting Agency shall terminate the informal selection procedure and proceed with the formal selection procedure under Rule 137-048-0220 if the scope of the anticipated Contract is revised during negotiations so that the Estimated Fee will exceed \$250,000.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279C.110

137-048-0220

Formal Selection Procedure

- (1) Contracting Agency shall use the formal selection procedure described in this rule to select Consultants if the Consultants cannot be selected under either 137-048-0200 (Direct Appointment Procedure) or under 137-048-0210 (Informal Selection Procedure). The formal selection procedure described in this rule may otherwise be used at Contracting Agency's discretion.
- (2) When using the formal selection procedure Contracting Agency shall obtain Contracts through public advertisement of Requests for Proposals, or Requests for Qualifications followed by Requests for Proposals.
- (a) Except as provided in subsection (b) of this section, Contracting Agency shall advertise each RFP and RFQ at least once in at least one newspaper of general circulation in the area where the Project is located and in as many other issues and publications as desired by Contracting Agency to achieve adequate competition. Other issues and publications may include, but are not limited to, local newspapers, trade journals, and publications targeted to reach the minority, women and emerging small business enterprise audiences.
- (A) Contracting Agency shall publish the advertisement within a reasonable time before the deadline for the Proposal submission or response to the RFQ or RFP, but in any event no fewer than fourteen (14) calendar days before the closing date set forth in the RFQ or RFP.
- (B) Contracting Agency shall include a brief description of the following items in the advertisement:
- (i) The Project;
 - (ii) A description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services the Contracting Agency seeks;
 - (iii) How and where Consultants may obtain a copy of the RFQ or RFP; and
 - (iv) The deadline for submitting a Proposal or response to the RFQ or RFP.
- (b) In the alternative to advertising in a newspaper as described in subsection (2)(a) of this rule, the Contracting Agency shall publish each RFP and RFQ by one or more of the electronic methods identified in Rule 137-046-0110(14). The Contracting Agency shall comply with subsections (2)(a)(A) and (2)(a)(B) of this rule when publishing advertisements by electronic methods.
- (c) In addition to publishing notice under Subsections (a) and (b) of this Section, Contracting Agency may also choose to send the RFP or RFQ, or notice thereof, directly to qualified Consultants.
- (3) Request for Qualifications Procedure. Contracting Agency may use the RFQ procedure to evaluate potential Consultants and establish a short list of qualified Consultants to whom the Contracting Agency may issue an RFP for some or all of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFQ.
- (a) A Contracting Agency shall include the following, at a minimum, in each RFQ:
- (A) A brief description of the Project for which the Contracting Agency is seeking Consultants;
 - (B) A description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services the Contracting Agency seeks for the Project;
 - (C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional services related to the Project, including but not limited to construction services;
 - (D) The deadline for submitting a response to the RFQ;
 - (E) A description of required Consultant qualifications for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services the Contracting Agency seeks;
 - (F) The RFQ evaluation criteria, including weights, points or other classifications applicable to each criterion;
 - (G) A statement whether or not the Contracting Agency will hold a pre-qualification meeting for all interested Consultants to discuss the Project and the Architectural, Engineering, Photogrammetric Mapping, Transportation

Planning or Land Surveying Services or Related Services described in the RFQ and if a pre-qualification meeting will be held, the location of the meeting and whether or not attendance is mandatory; and
(H) A Statement that Consultants responding to the RFQ do so solely at their expense, and that the Contracting Agency is not responsible for any Consultant expenses associated with the RFQ.

(b) A Contracting Agency may not request pricing policies, cost proposals, or other pricing information in the RFQ, but may request for any or all of the following:

- (A) A statement describing Consultants' general qualifications and related performance information;
- (B) A description of Consultants' specific qualifications to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFQ including Consultants' committed resources and recent, current and projected workloads;
- (C) A list of similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services and references concerning past performance, including but not limited to price and cost data from previous projects, quality of work, ability to meet schedules, cost control and contract administration;
- (D) A copy of all records, if any, of Consultants' performance under Contracts with any other Contracting Agency;
- (E) The number of Consultants' experienced staff committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFQ, including such personnel's specific qualifications and experience and an estimate of the proportion of time that such personnel would spend on those services;
- (F) Consultants' approaches to Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFQ and design philosophy, if applicable;
- (G) Consultants' geographic proximity to and familiarity with the physical location of the Project;
- (H) Consultants' Ownership status and employment practices regarding women, minorities and emerging small businesses or historically underutilized businesses;
- (I) If the Contracting Agency is selecting a Consultant to provide Related Services, Consultants' pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead;
- (J) Consultants' ability to assist Contracting Agency in complying with the solar energy technology requirements of ORS 279C.527; and
- (K) Any other information Contracting Agency deems reasonably necessary to evaluate Consultants' qualifications.

(c) Contracting Agency may use any reasonable screening or evaluation method to establish a short list of qualified Consultants, including but not limited to, the following:

- (A) Requiring Consultants responding to an RFQ to achieve a threshold score before qualifying for placement on the short list;
- (B) Placing a pre-determined number of the highest scoring Consultants on a short list;
- (C) Placing on a short list only those Consultants with certain essential qualifications or experience, whose practice is limited to a particular subject area, or who practice in a particular geographic locale or region, provided that such factors are material, would not unduly restrict competition, and were announced as dispositive in the RFQ.
- (d) No Consultant will be eligible for placement on a Contracting Agency's short list established under subsection (3)(d) of this rule if Consultant or any of Consultant's principals, partners or associates are members of the Contracting Agency's RFQ evaluation committee.
- (e) Except when the RFQ is cancelled, a Contracting Agency shall provide a copy of the subsequent RFP to each Consultant on the short list.

(4) Formal Selection of Consultants Through Request for Proposals. Contracting Agency shall use the procedure described in this Section (4) of this rule when issuing an RFP for a Contract described in Section (1) of this rule.

(a) RFP Required Contents. Contracting Agency using the formal selection procedure shall include at least the following in each Request for Proposals, whether or not the RFP is preceded by an RFQ:

(A) General background information, including a description of the Project and the specific Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services sought for the Project, the estimated Project cost, the estimated time period during which the Project is to be completed, and the estimated time period in which the specific Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services sought will be performed.

(B) The RFP evaluation process and the criteria which will be used to select the most qualified Proposer, including the weights, points or other classifications applicable to each criterion. If the Contracting Agency does not indicate the applicable number of points, weights or other classifications, then each criterion is of equal value. Evaluation criteria may include, but are not limited to, the following:

(i) Proposers' availability and capability to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP;

(ii) Experience of Proposers' key staff persons in providing similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services, or Related Services on comparable projects;

(iii) The amount and type of resources, and number of experienced staff persons Proposers have committed to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP;

- (iv) The recent, current and projected workloads of the staff and resources referenced in subsection (4)(a)(B)(iii), above;
- (v) The proportion of time Proposers estimate that the staff referenced in subsection (4)(a)(B)(iii), above, would spend on the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP;
- (vi) Proposers' demonstrated ability to complete successfully similar Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services on time and within budget, including whether or not there is a record of satisfactory performance;
- (vii) References and recommendations from past clients;
- (viii) Proposers' performance history in meeting deadlines, submitting accurate estimates, producing high quality work, meeting financial obligations, price and cost data from previous projects, cost controls and contract administration;
- (ix) Status and quality of any required license or certification;
- (x) Proposers' knowledge and understanding of the Project and Architectural, Engineering and Land Surveying Services or Related Services described in the RFP as shown in Proposers' approaches to staffing and scheduling needs for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services and proposed solutions to any perceived design and constructability issues;
- (xi) Results from interviews, if conducted;
- (xii) Design philosophy, if applicable, and approach to the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP;
- (xiii) If the Contracting Agency complies with the additional requirements of Section (4)(b) of this Rule, or is selecting a Consultant to provide Related Services, pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead; and
- (xiv) Any other criteria that the Contracting Agency deems relevant to the Project and the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP, including, where the nature and budget of the Project so warrant, a design competition between competing Proposers. Provided, however, these additional criteria cannot include pricing policies, pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead, when the sole purpose or predominant purpose of the RFP is to obtain Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services.
- (C) Conditions or limitations, if any, that may constrain or prohibit the selected Consultant's ability to provide additional services related to the Project, including but not limited to construction services;
- (D) Whether interviews are possible and if so, the weight, points or other classifications applicable to the potential interview;
- (E) The date and time Proposals are due, and the delivery location for Proposals;
- (F) Reservation of the right to seek clarifications of each Proposal;
- (G) Reservation of the right to negotiate a final Contract that is in the best interest of the Contracting Agency;
- (H) Reservation of the right to reject any or all Proposals and reservation of the right to cancel the RFP at any time if doing either would be in the public interest as determined by the Contracting Agency;
- (I) A Statement that Proposers responding to the RFP do so solely at their expense, and Contracting Agency is not responsible for any Proposer expenses associated with the RFP;
- (J) A statement directing Proposers to the protest procedures set forth in these division 48 rules;
- (K) Special Contract requirements, including but not limited to disadvantaged business enterprise ("DBE"), minority business enterprise ("MBE"), women business enterprise ("WBE") and emerging small business enterprise ("ESB") participation goals or good faith efforts with respect to DBE, MBE, WBE and ESB participation, and federal requirements when federal funds are involved;
- (L) A statement whether or not the Contracting Agency will hold a pre-Proposal meeting for all interested Consultants to discuss the Project and the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP and if a pre-Proposal meeting will be held, the location of the meeting and whether or not attendance is mandatory;
- (M) A request for any information the Contracting Agency deems reasonably necessary to permit the Contracting Agency to evaluate, rank and select the most qualified Proposer to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP;
- (N) Where applicable, a statement requiring design compliance with ORS 279C.527, regarding green energy technology; and
- (O) A sample form of the Contract.
- (b) Pricing policies, proposals or other pricing information may be used as part of the Contracting Agency's screening and selection process, if Contracting Agency:
 - (A) States in the RFP:
 - (i) That the Contracting Agency will screen and select Consultants as provided in ORS 279C.110(5);
 - (ii) How the Contracting Agency will rank proposals from Consultants, with a specific focus on:

1. Which factors the Contracting Agency will consider in evaluating proposals, including pricing policies, proposals, or other pricing information; and
 2. The relative weight in points or percentages the Contracting Agency will give each factor;
 - (iii) An estimate of the cost of services the Contracting Agency seeks in the procurement;
 - (iv) A sufficiently detailed scope of work to enable a Consultant to prepare a responsive Proposal.
- (B) First evaluates each Consultant on the basis of the Consultant's qualifications to perform the services described in the solicitation document.
- (C) Announces the evaluation scores and rank of each Consultant according to the solicitation criteria. The Contracting Agency may identify up to three (3) of the top-ranked prospective Consultants as qualified to perform the services sought and may request a pricing proposal from each. The pricing proposals:
- (i) Must include:
 1. A schedule of hourly rates that the Consultant will charge for the work of each individual or each labor classification that will perform the services sought that is irrevocable for not less than ninety (90) days after the date of the Proposal; and
 2. A reasonable estimate of hours that the Consultant will require to perform the services sought.
 - (ii) May include, at the Contracting Agency's request, additional pricing information that is limited to:
 1. A description of each task proposed by Consultant;
 2. A list of each individual or labor classification that will perform each task, together with the hourly rate that applies to each individual or labor classification; and
 3. A list of reimbursable expenses, including travel expenses, that the Consultant expects to incur when providing the proposed services.
- (D) Permits each top-ranked Consultant to withdraw from consideration for award if the Consultant does not wish to provide a price proposal.
- (E) Completes the evaluation and selects a Consultant from among the identified top-ranked Consultants, giving not more than fifteen (15) percent weight to each Consultant's price proposal.
- (c) RFP Evaluation Committee. The Contracting Agency shall either establish a committee or designate an individual to review, score and rank Proposals according to the evaluation criteria set forth in the RFP. If the RFP has followed an RFQ, the Contracting Agency may include the same members who served on the RFQ evaluation committee. The Contracting Agency may appoint to the evaluation committee Contracting Agency employees or employees of other public agency with experience in Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying, Related Services, construction services or Public Contracting. At least one member of an evaluation committee must be a Contracting Agency employee. If the Contracting Agency procedure permits, the Contracting Agency may include on the evaluation committee private practitioners of architecture, engineering, land surveying or related professions. If formed, the Contracting Agency shall designate a member of the evaluation committee as the evaluation committee chairperson.
- (d) No Proposer will be eligible for award of the Contract under the RFP if Proposer or any of Proposer's principals, partners or associates are members of the Contracting Agency's RFP evaluation committee for the Contract;
- (e) If the Contracting Agency does not cancel the RFP after completing the scoring and ranking for each Proposer, the Contracting Agency will begin negotiating a Contract with the highest ranked Proposer. The Contracting Agency shall direct negotiations toward obtaining written agreement on:
- (A) The Consultant's scope of services, performance obligations and performance schedule;
 - (B) Payment methodology, Consultant's rates and number hours, and a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services required under the Contract that is fair and reasonable to the Contracting Agency as determined solely by the Contracting Agency, taking into account the value, scope, complexity and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services; and
 - (C) Any other provisions the Contracting Agency believes to be in the Contracting Agency's best interest to negotiate.
- (f) The Contracting Agency shall, either orally or in writing, formally terminate negotiations with the highest ranked Proposer if the Contracting Agency and Proposer are unable for any reason to reach agreement on a Contract within a reasonable amount of time. The Contracting Agency may thereafter negotiate with the second ranked Proposer, and if necessary, with the third ranked Proposer, and so on, in accordance with subsection (4)(e), and as limited by subsection (4)(b) of this rule to the identified top-ranked Consultants, if price was an evaluation criteria, until negotiations result in a Contract. If negotiations with any Proposer do not result in a Contract within a reasonable amount of time, the Contracting Agency may end the particular formal solicitation. Nothing in this rule precludes a Contracting Agency from proceeding with a new formal solicitation for the same Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP that failed to result in a Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.110 & ORS 279C.527

137-048-0230

Ties Among Proposers

(1) If Contracting Agency is selecting a Consultant on the basis of qualifications alone and determines after the ranking of Proposers that two or more Proposers are equally qualified, the Contracting Agency may select a candidate through any process that the Contracting Agency believes will result in the best value for the Contracting Agency taking into account the scope, complexity and nature of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services. Provided, however, the tie breaking process established by the Contracting Agency under this Section (1) cannot be based on the Consultant's pricing policies, pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead. The process must be designed to instill public confidence through ethical and fair dealing, honesty and good faith on the part of the Contracting Agency and Proposers and shall protect the integrity of the Public Contracting process. Once a tie is broken, the Contracting Agency and the selected Proposer shall proceed with negotiations under Rules 137-048-0210(4) or 137-048-0220(4)(c), as applicable.

(2) If Contracting Agency is selecting a Consultant on the basis of price alone, or on the basis of price and qualifications, and determines after the ranking of Proposers that two or more Proposers are identical in terms of price or are identical in terms of price and qualifications, then the Contracting Agency shall follow the procedure set forth in Rule 137-046-0300 (Preferences for Oregon Goods and Services), to select the Consultant.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279C.105 & ORS 279C.110

137-048-0240

Protest Procedures

(1) **RFP Protest and Request for Change.** Pursuant to ORS 279C.110(8), Consultants may submit a written protest of anything contained in an RFP and may request a change to any provision, specification or Contract term contained in an RFP, no later than seven (7) calendar days prior to the date Proposals are due, unless a different deadline is indicated in the RFP. Each protest and request for change must include the reasons for the protest or request, and any proposed changes to the RFP provisions, specifications or Contract terms. The Contracting Agency may not consider any protest or request for change that is submitted after the submission deadline.

(2) **Protest of Consultant Selection.** Pursuant to ORS 279C.110(8), Consultants may protest Contracting Agency's Consultant selection for award, as follows:

(a) **Single Award.** In the event of an award to a single Proposer, the Contracting Agency shall provide to all Proposers a copy of the selection notice that the Contracting Agency sent to the highest ranked Proposer. A Proposer who claims to have been adversely affected or aggrieved by the selection of the highest ranked Proposer may submit a written protest of the selection to the Contracting Agency no later than seven (7) calendar days after the date of the selection notice unless a different deadline is indicated in the RFP. A Proposer submitting a protest must claim that the protesting Proposer is the highest ranked Proposer because the Proposals of all higher ranked Proposers failed to meet the requirements of the RFP or because the higher ranked Proposers otherwise are not qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP.

(b) **Multiple Award.** In the event of an award to more than one Proposer, the Contracting Agency shall provide to all Proposers copies of the selection notices that the Contracting Agency sent to the highest ranked Proposers. A Proposer who claims to have been adversely affected or aggrieved by the selection of the highest ranked Proposers may submit a written protest of the selection to the Contracting Agency no later than seven (7) calendar days after the date of the selection notices, unless a different deadline is indicated in the RFP. A Proposer submitting a protest must claim that the protesting Proposer is one of the highest ranked proposers because the Proposals of all higher ranked Proposers failed to meet the requirements of the RFP, or because a sufficient number of Proposals of higher ranked Proposers failed to meet the requirements of the RFP. In the alternative, a Proposer submitting a protest must claim that the Proposals of all higher ranked Proposers, or a sufficient number of higher ranked Proposers, are not qualified to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the RFP.

(c) **Effect of Protest Submission Deadline.** A Contracting Agency may not consider any protest that is submitted after the submission deadline.

(3) **Resolution of Protests.** A duly authorized representative of the Contracting Agency shall resolve all timely submitted protests within a reasonable time following the Contracting Agency's receipt of the protest and once resolved, shall promptly issue a written decision on the protest to the Proposer who submitted the protest. If the protest results in a change to the RFP, the Contracting Agency shall revise the RFP accordingly and shall re-advertise the RFP in accordance with these rules.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & 279C.110

137-048-0250

Solicitation Cancellation, Delay or Suspension; Rejection of All Proposals or Responses; Consultant Responsibility for Costs

A Contracting Agency may cancel, delay or suspend a solicitation, RFQ or other preliminary Procurement document, whether related to a Direct Appointment Procedure (Rule 137-048-0200), the Informal Selection Procedure (Rule 137-048-0210), or the Formal Selection Procedure (Rule 137-048-0220), or reject all Proposals, responses to RFQs, responses to other preliminary Procurement documents, or any combination of the foregoing, if the Contracting Agency believes it is in the public interest to do so. In the event of any such cancellation, delay, suspension or rejection, the Contracting Agency is not liable to any Proposer for any loss or expense caused by or resulting from any such cancellation, delay, suspension or rejection. Consultants responding to either solicitations, RFQs or other preliminary Procurement documents are responsible for all costs they may incur in connection with submitting Proposals, responses to RFQs or responses to other preliminary Procurement documents. In the event of any such cancellation, Contracting Agency shall return Proposals to Proposers and keep a list of returned Proposals in the Solicitation file, in accordance with ORS 279C.107.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279C.110

137-048-0260

Two-Tiered Selection Procedure when State Agency is Lead Contracting Agency

(1) If the Contracting Agency requires an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services for a public improvement owned and maintained by that Local Contracting Agency, and a State Agency will serve as the lead Contracting Agency and will enter into Contracts with Architects, Photogrammetrists, Transportation Planners, Engineers or Land Surveyors for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services for that public improvement, the State Contracting Agency shall utilize the two-tiered selection process described below to obtain these Contracts with Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors.

(2) **Tier One.** The State Contracting Agency shall, when feasible, identify no fewer than the three (3) most qualified Proposers responding to an RFP pursuant to its own rules or, if permitted by state, by these Division 48 rules applicable selection procedures described in from among Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors, and shall notify the Local Contracting Agency of the Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors selected.

(3) **Tier Two.** In accordance with the qualifications-based selection requirements of ORS 279C.110, the Local Contracting Agency shall either:

(a) Select an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor from the State Contracting Agency's list of Proposers to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services for Local Contracting Agency's public improvement; or

(b) Select an Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services for Local Contracting Agency's public improvement through an alternative process adopted by the Local Contracting Agency, consistent with the provisions of the applicable RFP, if any, and these division 48 rules. The Local Contracting Agency's alternative process must be described in the applicable RFP, may be structured to take into account the unique circumstances of the Local Contracting Agency and may include provisions to allow the Local Contracting Agency to perform its tier two responsibilities efficiently and economically, alone or in cooperation with other Local Contracting Agencies. The Local Contracting Agency's alternative process may include, but is not limited to, one or more of the following methods:

(A) A general written direction from the Local Contracting Agency to the State Contracting Agency, prior to the advertisement of a Procurement or series of Procurements or during the course of the Procurement or series of Procurements, that the Local Contracting Agency's tier two selection shall be the highest-ranked firm identified by the State Contracting Agency during the tier one process, and that no further coordination or consultation with the Local Contracting Agency is required. However, the Local Contracting Agency may provide written notice to the State Contracting Agency that the Local Contracting Agency's general written direction is not to be applied for a particular Procurement and describe the process that the Local Contracting Agency will utilize for the particular Procurement. In order for a written direction from the Local Contracting Agency consistent with this subsection to be effective for a particular Procurement, it must be received by the State Contracting Agency with adequate time for the State Contracting Agency to revise the RFP in order for Proposers to be notified of the tier two process to be utilized in the Procurement. In the event of a multiple award under the terms of the applicable Procurement, the written direction from the Local Contracting Agency may apply to the highest ranked firms that are selected under the terms of the Procurement document.

(B) An intergovernmental agreement between the Local Contracting Agency and the State Contracting Agency outlining the alternative process that the Local Contracting Agency has adopted for a Procurement or series of Procurements.

(C) Where multiple Local Government Agencies are involved in a two-tiered selection procedure, the Local Government Agencies may name one or more authorized representative(s) to act on behalf of all the Local Government Agencies, whether the Local Government Agencies are acting collectively or individually, to select the Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor to perform the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services under the tier two selection process. In the event of a multiple award under the terms of the applicable Procurement, the authorized representative(s) of the Local Contracting Agencies may act on behalf of the Local Contracting Agencies to select the highest ranked firms that are required under the terms of the Procurement document, as part of the tier two selection process.

(4) The State Contracting Agency shall thereafter begin Contract negotiations with the selected Architect, Engineer, Photogrammetrist, Transportation Planner or Land Surveyor in accordance with the negotiation provisions in Rule 137-048-0200 (Direct Appointment Procedure), 137-048-0210 (Informal Selection Procedure) or 137-048-0220 (Formal Selection Procedure) as applicable.

(5) Nothing in these division 48 rules should be construed to deny or limit a Local Contracting Agency's ability to enter into a Contract directly with Architects, Engineers, Photogrammetrists, Transportation Planners, or Land Surveyors pursuant to ORS 279C.125(4), through a selection process established by that Local Contracting Agency.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279C.110 & ORS 279C.125

137-048-0270

Price Agreements

(1) Contracting Agency may establish Price Agreements for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services, when the Contracting Agency cannot determine the precise quantities of those Services which the Contracting Agency will require over a specified time period.

(2) When establishing Price Agreements under this rule, a Contracting Agency shall select no fewer than three Consultants, when feasible. The selection procedures for establishing Price Agreements shall be in accordance with Rule 137-048-0130(1) or 137-048-0130(2), as applicable. Contracting Agency may select a single Consultant, when a Price Agreement is awarded to obtain services for a specific Project or a closely-related group of Projects.

(3) Solicitation materials and the terms and conditions for a Price Agreement for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services must:

(a) Include a scope of services, menu of services, a specification for services or a similar description of the nature, general scope, complexity and purpose of the procurement that will reasonably enable a prospective bidder or Proposer to decide whether to submit a bid or proposal;

(b) Specify whether the Contracting Agency intends to award a Price Agreement to one Consultant or to multiple Consultants. If the Contracting Agency will award a Price Agreement to more than one Consultant, the solicitation document and Price Agreement shall describe the criteria and procedures the Contracting Agency will use to select a Consultant for each individual work order or task order. Subject to the requirements of ORS 279C.110, the criteria and procedures to assign work orders or task orders that only involve or predominantly involve Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying services are at the Contracting Agency's sole discretion. In accordance with Rule 137-048-0130(2) applicable to Related Services procurements, the selection criteria and procedures may be based solely on the qualifications of the Consultants, solely on pricing information, or a combination of both qualifications and pricing information. Pricing information requested for Price Agreements with any Division 48 Consultant may include the number of hours proposed for the services required, expenses, hourly rates, the number of hours, overhead and other price factors. Work order or task order assignment procedures under Price Agreements may include direct appointments, subject to the requirements of Rule 137-048-0200; and

(c) Specify the maximum term for assigning Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services under the Price Agreement.

(4) All Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services assigned under a Price Agreement require a written work order or task order issued by the Contracting Agency. Any work orders or task orders assigned under a Price Agreement must include, at a minimum, the following:

(a) A clearly defined statement of work and performance schedule for any deliverables;

(b) The payment methodology, Consultant rates and number of hours, and a maximum, not-to-exceed price for the services required under the work order or task order that is fair and reasonable to the Contracting Agency, as determined solely by the Contracting Agency, taking into account the value, scope, complexity and nature of the services; and

- (c) Language that incorporates all applicable terms and conditions of the Price Agreement into the work order or task order; and
- (d) Any other provisions the Contracting Agency believes to be in the Contracting Agency's best interest.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065, ORS 279C.110 & ORS 279C.120

POST-SELECTION CONSIDERATIONS

137-048-0300

Prohibited Payment Methodology; Purchase Restrictions

- (1) Except as otherwise allowed by law, Contracting Agency shall not enter into any Contract which includes compensation provisions that expressly provide for payment of:
 - (a) Consultant's costs under the Contract plus a percentage of those costs; or
 - (b) A percentage of the Project construction costs or total Project costs.
- (2) Except as otherwise allowed by law, Contracting Agency shall not enter into any Contract in which:
 - (a) The compensation paid under the Contract is solely based on or limited to the Consultant's hourly rates for the Consultant's personnel working on the Project and reimbursable expenses incurred during the performance of work on the Project (sometimes referred to as a "time and materials" Contract); and
 - (b) The Contract does not include a maximum amount payable to the Consultant for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services required under the Contract.
- (3) Except in cases of Emergency or in the particular instances noted in the subsections below, Contracting Agency shall not purchase any building materials, supplies or equipment for any building, structure or facility constructed by or for Contracting Agency from any Consultant under a Contract with Contracting Agency to perform Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services, for the building, structure or facility. This prohibition does not apply if either of the following circumstances exists:
 - (a) The Consultant is providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services under a Contract with a Contracting Agency to perform Design-Build services or Energy Savings Performance Contract services (see Rules 137-049-0670 and 137-049-0680); or
 - (b) That portion of the Contract relating to the acquisition of building materials, supplies or equipment was awarded to the Consultant pursuant to applicable law governing the award of such a Contract.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.105

137-048-0310

Expired or Terminated Contracts; Reinstatement

- (1) If Contracting Agency enters into a Contract for Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services and that Contract subsequently expires or is terminated, the Contracting Agency may proceed as follows, subject to the requirements of subsection (2) of this rule:
 - (a) Expired Contracts. If the Contract has expired as the result of Project delay caused by the Contracting Agency or caused by any other occurrence outside the reasonable control of the Contracting Agency or the Consultant, and if no more than one year has passed since the Contract expiration date, the Contracting Agency may amend the Contract to extend the Contract expiration date, revise the description of the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services required under the Contract to reflect any material alteration of the Project made as a result of the delay, and revise the applicable performance schedule. Beginning on the effective date of the amendment, the Contracting Agency and the Consultant shall continue performance under the Contract as amended; or
 - (b) Terminated Contracts. If Contracting Agency or both parties to the Contract have terminated the Contract for any reason and if no more than one year has passed since the Contract termination date, then the Contracting Agency may enter into a new Contract with the same Consultant to perform the remaining Architectural, Engineering and Land Surveying Services, or Related Services not completed under the original Contract, or to perform any remaining Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services not completed under the Contract as adjusted to reflect a material alteration of the Project.
- (2) The Contracting Agency may proceed under either subsection (1)(a) or subsection (1)(b) of this rule only after making written findings that amending the existing Contract or entering into a new Contract with the Consultant will:
 - (a) Promote efficient use of public funds and resources and result in substantial cost savings to the Contracting Agency;

- (b) Protect the integrity of the Public Contracting process and the competitive nature of the Procurement process by not encouraging favoritism or substantially diminishing competition in the award of Contracts; and
- (c) Result in a Contract that is still within the scope of the final form of the original Procurement document.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.110

137-048-0320

Contract Amendments

(1) A Contracting Agency may amend any Contract if the Contracting Agency, in its sole discretion, determines that the amendment is within the scope of the Solicitation Document and that the amendment would not materially impact the field of competition for the Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services described in the final form of the original Procurement document. In making this determination, the Contracting Agency shall consider potential alternative methods of procuring the services contemplated under the proposed amendment. An amendment would not materially impact the field of competition for the services described in the Solicitation Document if the Contracting Agency reasonably believes that the number of Proposers would not significantly increase if the Procurement document were re-issued to include the additional services.

(2) The Contracting Agency may amend any Contract if the additional services are required by reason of existing or new laws, rules, regulations or ordinances of federal, state or local agencies, which affect performance of the original Contract.

(3) All amendments to Contracts must be in writing, must be signed by an authorized representative of the Consultant and the Contracting Agency and must receive all required approvals before the amendments will be binding on the Contracting Agency.

Stat. Auth.: ORS 279A.065 & ORS 279C.105

Stats. Implemented: ORS 279A.065 & ORS 279C.110

PUBLIC CONTRACTING RULES 2023

DIVISION 49

GENERAL PROVISIONS RELATED TO PUBLIC CONTRACTS FOR CONSTRUCTION SERVICES

137-049-0100

Application

(1) These division 49 rules apply to Public Improvement Contracts as well as Public Contracts for ordinary construction services that are not Public Improvements. Rules that apply specifically to Public Improvement Contracts are so identified.

(2) These division 49 rules address matters covered in ORS Chapter 279C (with the exception of Architectural, Engineering, Land Surveying and Related Services, all of which are addressed in division 48 of the Rules).

(3) These division 49 Rules become effective upon adoption, and apply to the Contracts described in section (1) above first advertised, but if not advertised then entered into, on or after that date.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065

137-049-0110

Policies

In addition to the general Code policies set forth in ORS 279A.015, the ORS 279C.300 policy on competition and the ORS 279C.305 policy on least-cost for Public Improvements apply to these division 49 rules.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.300 & ORS 279C.305

137-049-0120

Definitions

(1) "**Conduct Disqualification**" means a Disqualification pursuant to ORS 279C.440.

(2) "**Disqualification**" means the preclusion of a Person from contracting with a Contracting Agency for a period of time in accordance with Rule 137-049-0370. Disqualification may be a Conduct Disqualification or DBE Disqualification.

(3) "**Foreign Contractor**" means a Contractor that is not domiciled in or registered to do business in the State of Oregon. See Rule 137-049-0480.

(4) "**Notice**" means any of the alternative forms of public announcement of Procurements, as described in Rule 137-049-0210.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065 & ORS 279A.110

137-049-0130

Competitive Bidding Requirement

A Contracting Agency shall solicit Bids for Public Improvement Contracts by Invitation to Bid ("ITB"), except as otherwise allowed or required by these Rules, or pursuant to ORS 279C.335 on competitive bidding exceptions and exemptions, 279A.030 on federal law overrides or 279A.100 on affirmative action. Also see Rules 137-049-0600 to 137-049-0690 regarding the use of Alternative Contracting Methods and the exemption process.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335

137-049-0140

Contracts for Construction Other than Public Improvements

(1) **Procurement Under ORS Chapter 279B.** Pursuant to ORS 279C.320, Public Contracts for construction services that are not Public Improvement Contracts, other than Emergency Contracts regulated under ORS 279C.335(6) and Rule 137-049-0150, may be procured and amended as general trade services under the provisions of ORS Chapter 279B and division 47 Rules, rather than under the provisions of ORS Chapter 279C and these division 49 rules.

(2) **Application of ORS Chapter 279C.** Non-procurement provisions of ORS Chapter 279C and these division 49 rules may still be applicable to the resulting Contracts. See, for example, particular statutes on Disqualification (ORS 279C.440, 445 and 450); Legal Actions (ORS 279C.460 and 465); Required Contract Conditions (ORS 279C.505, 515, 520 and 530); Hours of Labor (ORS 279C.540 and 545); Retainage (ORS 279C.550, 560 and 565); Subcontracts (ORS 279C.580); Action on Payment Bonds (ORS 279C.600, 605, 610, 615, 620 and 625); Termination (ORS 279C.650, 650, 660 and 670); and all of the Prevailing Wage Rates requirements (ORS 279C.800 through 870) for Public Works Contracts.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.320

137-049-0150

Emergency Contracts; Bidding and Bonding Exemptions

(1) **Emergency Declaration.** A Contracting Agency may declare that Emergency circumstances exist that require prompt execution of a Public Contract for Emergency construction or repair Work. The declaration shall be made at an administrative level consistent with the Contracting Agency's internal policies, by a written declaration that describes the circumstances creating the Emergency and the anticipated harm from failure to enter into an Emergency Contract. The Emergency declaration shall thereafter be kept on file as a public record.

(2) **Competition for Contracts.** Pursuant to ORS 279C.320(1), Emergency Contracts are regulated under ORS 279B.080, which provides that, for an emergency procurement of construction services, the Contracting Agency shall ensure competition that is reasonable and appropriate under the Emergency circumstances, and may include written requests for Offers, oral requests for Offers or direct appointments without competition in cases of extreme necessity, in whatever solicitation time periods the Contracting Agency considers reasonable in responding to the Emergency.

(3) **Emergency Contract Scope.** Although no dollar limitation applies to Emergency Contracts, the scope of the Contract must be limited to Work that is necessary and appropriate to remedy the conditions creating the Emergency as described in the declaration.

(4) **Emergency Contract Modification.** Emergency Contracts may be modified by change order or amendment to address the conditions described in the original declaration or an amended declaration that further describes additional work necessary and appropriate for related Emergency circumstances.

(5) **Excusing Bonds.** Pursuant to ORS 279C.380(4) and this rule, the Emergency declaration may also state that the Contracting Agency waives the requirement of furnishing a performance bond and payment bond for the Emergency Contract. After making such an Emergency declaration the bonding requirements are excused for the procurement, but this Emergency declaration does not affect the separate Public Works bond requirement for the benefit of the Bureau of Labor and Industries (BOLI) in enforcing prevailing wage rate and overtime payment requirements. See Rule 137-049-0815 and BOLI rules at OAR 839-025-0015.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279B.080, ORS 279C.320 & ORS 279C.380

137-049-0160

Intermediate Procurements; Competitive Quotes and Amendments

(1) **General.** Public Improvement Contracts estimated by the Contracting Agency to cost \$25,000 or more, but not to exceed \$100,000 may be Awarded in accordance with this rule.

(2) **Selection Criteria.** The selection criteria may be limited to price or some combination of price, experience, specific expertise, availability, project understanding, contractor capacity, responsibility and similar factors.

(3) **Request for Quotes.** Contracting Agencies shall utilize written requests for quotes whenever reasonably practicable. Written request for quotes shall include the selection criteria to be utilized in selecting a Contractor and, if the criteria are not of equal value, their relative value or ranking. When requesting quotations orally, prior to requesting the price quote the Contracting Agency shall state any additional selection criteria and, if the criteria are not of equal value, their relative value. For Public Works Contracts, oral requests for quotes may be utilized only in the event that Written copies of the prevailing wage rates are not required by the Bureau of Labor and Industries.

(4) **Number of Quotes; Record Required.** Contracting Agencies shall seek at least three competitive quotes, and keep a written record of the sources and amounts of the quotes received. If three quotes are not reasonably available the Contracting Agency shall make a written record of the effort made to obtain those quotes.

(5) **Award.** If Awarded, the Contracting Agency shall Award the Contract to the prospective contractor whose quote will best serve the interests of the Contracting Agency, taking into account the announced selection criteria. If Award is not made to the Offeror offering the lowest price, the Contracting Agency shall make a written record of the basis for Award.

(6) **Price Increases.** Intermediate level Public Improvement Contracts obtained by competitive quotes may be increased above the original amount of Award by Contracting Agency issuance of a Change to the Work or Amendment, pursuant to Rule 137-049-0910, within the following limitations:

(a) Up to an aggregate Contract Price increase of 25% over the original Contract amount when a Contracting Agency's contracting officer determines that a price increase is warranted for additional reasonably related Work, and;

(b) Up to an aggregate Contract Price increase of 50% over the original Contract amount, when a Contracting Agency's contracting officer determines that a price increase is warranted for additional reasonably related Work and a Contracting Agency official, board or governing body with administrative or review authority over the contracting officer approves the increase.

(7) **Amendments.** Amendments of intermediate level Public Improvement Contracts that exceed the thresholds stated in section (1) are specifically authorized by the Code, when made in accordance with this rule and Rule 137-049-0910. Accordingly, such amendments are not considered new procurements and do not require an exemption from competitive bidding.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.412.

FORMAL PROCUREMENT RULES

137-049-0200

Solicitation Documents; Required Provisions; Assignment or Transfer

(1) **Solicitation Document.** Pursuant to ORS 279C.365 and this rule, the Solicitation Document shall include the following:

(a) General Information.

(A) Identification of the Public Improvement project, including the character of the Work, and applicable plans, Specifications and other Contract documents;

(B) Notice of any pre-Offer conference as follows:

(i) The time, date and location of any pre-Offer conference;

(ii) Whether attendance at the conference will be mandatory or voluntary; and

(iii) That statements made by the Contracting Agency's representatives at the conference are not binding upon the Contracting Agency unless confirmed by Written Addendum.

(C) The deadline for submitting mandatory prequalification applications and the class or classes of Work for which Offerors must be prequalified if prequalification is a requirement;

(D) The name and title of the authorized Contracting Agency Person designated for receipt of Offers and contact Person (if different);

(E) Instructions and information concerning the form and submission of Offers, including the address of the office to which Offers must be delivered, any Bid or Proposal security requirements, and any other required information or special information, e.g., whether Offers may be submitted by facsimile or electronic means (See Rule 137-049-0300 regarding facsimile Bids or Proposals and Rule 137-049-0310 regarding electronic Procurement);

(F) The time, date and place of Opening;

(G) The time and date of Closing after which a Contracting Agency will not accept Offers, which time shall be not less than five Days after the date of the last publication of the advertisement. Although a minimum of five Days is prescribed, Contracting Agencies are encouraged to use at least a 14 Day Solicitation period when feasible. If the Contracting Agency is issuing an ITB that may result in a Public Improvement Contract with a value in excess of \$100,000, the Contracting Agency shall designate a time of Closing consistent with the first-tier subcontractor disclosure requirements of ORS 279C.370(1)(b) and Rule 137-049-0360. For timing issues relating to Addenda, see Rule 137-049-0250;

(H) The office where the Specifications for the Work may be reviewed;

(I) A statement that each Bidder to an ITB must identify whether the Bidder is a "resident Bidder," as defined in ORS 279A.120;

(J) If the Contract resulting from a Solicitation will be a Contract for a Public Work subject to ORS 279C.800 to 279C.870 or the Davis-Bacon Act (40 U.S.C. 3141 to 3148), a statement that no Offer will be received or considered by the Contracting Agency unless the Offer contains a statement by the Offeror as a part of its Offer that "Contractor agrees to be bound by and will comply with the provisions of ORS 279C.838, 279C.840 or 40 U.S.C. 3141 to 3148.";

- (K) A statement that the Contracting Agency will not receive or consider an Offer for a Public Improvement Contract unless the Offeror is registered and in good standing with the Construction Contractors Bd, or is licensed by the State Landscape Contractors Bd, as specified in Rule 137-049-0230;
- (L) Whether a Contractor or a subcontractor under the Contract must be licensed under ORS 468A.720 regarding asbestos abatement projects;
- (M) Contractor's certification of nondiscrimination in obtaining required subcontractors in accordance with ORS 279A.110(4). (See Rule 137-049-0440(3));
- (N) How the Contracting Agency will notify Offerors of Addenda and how the Contracting Agency will make Addenda available (See Rule 137-049-0250); and
- (O) When applicable, instructions and forms regarding First-Tier Subcontractor Disclosure requirements, as set forth in Rule 137-049-0360.
- (P) Where applicable, a statement requiring compliance with ORS 279C.527, green energy technology.
- (b) Evaluation Process:
- (A) A statement that the Contracting Agency may reject any Offer not in compliance with all prescribed Public Contracting procedures and requirements, including the requirement to demonstrate the Bidder's responsibility under ORS 279C.375(3)(b) and may reject for good cause all Offers after finding that doing so is in the public's interest;
- (B) The anticipated Solicitation schedule, deadlines, protest process and evaluation process, if any;
- (C) Evaluation criteria, including the relative value applicable to each criterion, that the Contracting Agency will use to determine the Responsible Bidder with the lowest Responsive Bid (where Award is based solely on price) or the Responsible Proposer or Proposers with the best Responsive Proposal or Proposals (where use of Competitive Proposals is authorized under ORS 279C.335 and Rule 137-049-0620), along with the process the Contracting Agency will use to determine acceptability of the Work;
- (i) If the Solicitation Document is an Invitation to Bid, the Contracting Agency shall set forth any special price evaluation factors in the Solicitation Document. Examples of such factors include, but are not limited to, conversion costs, transportation cost, volume weighing, trade-in allowances, cash discounts, depreciation allowances, cartage penalties, ownership or life-cycle cost formulas. Price evaluation factors need not be precise predictors of actual future costs; but, to the extent possible, such evaluation factors shall be objective, reasonable estimates based upon information the Contracting Agency has available concerning future use;
- (ii) If the Solicitation Document is a Request for Proposals, the Contracting Agency shall refer to the additional requirements of Rule 137-049-0650 and 279C.400 to 279C.410; and
- (c) Contract Provisions. The Contracting Agency shall include all Contract terms and conditions, including warranties, insurance and bonding requirements, that the Contracting Agency considers appropriate for the Public Improvement project. The Contracting Agency must also include all applicable Contract provisions required by Oregon law as follows:
- (A) Prompt payment to all Persons supplying labor or material; contributions to Industrial Accident Fund; liens and withholding taxes (ORS 279C.505(1));
- (B) Demonstrate that an employee drug testing program is in place (ORS 279C.505(2));
- (C) If the Contract calls for demolition Work described in ORS 279C.510(1), a condition requiring the Contractor to salvage or recycle construction and demolition debris, if feasible and cost-effective;
- (D) If the Contract calls for lawn or landscape maintenance, a condition requiring the Contractor to compost or mulch yard waste material at an approved site, if feasible and cost effective (ORS 279C.510(2));
- (E) Payment of claims by public officers (ORS 279C.515(1));
- (F) Contractor and first-tier subcontractor liability for late payment on Public Improvement Contracts pursuant to ORS 279C.515(2), including the rate of interest;
- (G) Person's right to file a complaint with the Construction Contractors Bd for all Contracts related to a Public Improvement Contract (ORS 279C.515(3));
- (H) Hours of labor in compliance with ORS 279C.520;
- (I) Environmental and natural resources regulations (ORS 279C.525);
- (J) Payment for medical care and attention to employees (ORS 279C.530(1));
- (K) A Contract provision substantially as follows: "All employers, including Contractor, that employ subject Workers who Work under this Contract in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements." (ORS 279C.530(2));
- (L) Maximum hours, holidays and overtime (ORS 279C.540);
- (M) Time limitation on claims for overtime (ORS 279C.545);
- (N) Prevailing wage rates (ORS 279C.800 to 279C.870);
- (O) BOLI Public Works bond (ORS 279C.830(3));
- (P) Retainage (ORS 279C.550 to 279C.570);
- (Q) Prompt payment policy, progress payments, rate of interest (ORS 279C.570);

(R) Contractor's relations with subcontractors (ORS 279C.580);
(S) Notice of claim (ORS 279C.605);
(T) Contractor's certification of compliance with the Oregon tax laws in accordance with ORS 305.385; and
(U) Contractor's certification that all subcontractors performing Work described in ORS 701.005(2) (i.e., construction Work) will be registered with the Construction Contractors Bd or licensed by the State Landscape Contractors Bd in accordance with ORS 701.035 to 701.055 before the subcontractors commence Work under the Contract.

(2) **Assignment or Transfer Restricted.** Unless otherwise provided in the Contract, the Contractor shall not assign, sell, dispose of, or transfer rights, nor delegate duties under the Contract, either in whole or in part, without the Contracting Agency's prior Written consent. Unless otherwise agreed by the Contracting Agency in Writing, such consent shall not relieve the Contractor of any obligations under the Contract. Any assignee or transferee shall be considered the agent of the Contractor and be bound to abide by all provisions of the Contract. If the Contracting Agency consents in Writing to an assignment, sale, disposal or transfer of the Contractor's rights or delegation of Contractor's duties, the Contractor and its surety, if any, shall remain liable to the Contracting Agency for complete performance of the Contract as if no such assignment, sale, disposal, transfer or delegation had occurred unless the Contracting Agency otherwise agrees in Writing.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.110(4), ORS 279A.120, ORS 279C.365, ORS 279C.370, ORS 279C.390, ORS 279C.505 to 580, ORS 279C.605, ORS 305.385, ORS 468A.720, ORS 701.005 & ORS 701.055

137-049-0210

Notice and Advertising Requirements; Posting

(1) **Notice and Distribution Fee.** A Contracting Agency may furnish "Notice" as set forth below in subsections (a) through (c), to a number of Persons sufficient for the purpose of fostering and promoting competition. The Notice may indicate where, when, how and for how long the Solicitation Document may be obtained; generally describe the Public Improvement project or Work; and may contain any other appropriate information. The Contracting Agency may charge a fee or require a deposit for the Solicitation Document. The Contracting Agency may furnish Notice using any method determined to foster and promote competition, including:

- (a) Mailing Notice of the availability of Solicitation Documents to Persons that have expressed an interest in the Contracting Agency's Procurements;
- (b) Placing Notice on the Contracting Agency's Electronic Procurement System; or
- (c) Placing Notice on the Contracting Agency's Internet Web site.

(2) **Advertising.** Pursuant to ORS 279C.360 and this rule, a Contracting Agency shall advertise every Solicitation for competitive Bids or competitive Proposals for a Public Improvement Contract, unless the exempted the Solicitation is otherwise exempt from the advertisement requirement under these rules or pursuant to a competitive bidding exemption adopted under ORS 279C.335.

(a) Unless the Contracting Agency publishes by Electronic Advertisement as permitted under subsection 2(b), the Contracting Agency shall publish the advertisement for Offers at least once in at least one newspaper of general circulation in the area where the Contract is to be performed and in as many additional issues and publications as the Contracting Agency may determine to be necessary or desirable to foster and promote competition.

(b) Contracting Agency may publish by Electronic Advertisement if the Contract Review Authority for the Contracting Agency determines that Electronic Advertisement is likely to be cost effective and, pursuant to 137-049-0310(2), adopts rules authorizing Electronic Advertisement.

(c) In addition to the Contracting Agency's publication required under subsection 2(a) or 2(b), the Contracting Agency shall also publish an advertisement for Offers in at least one trade newspaper of general statewide circulation if the Contract is for a Public Improvement with an estimated cost in excess of \$125,000.

(d) All advertisements for Offers shall set forth:

- (A) The Public Improvement project;
- (B) The office or website where Contract terms, conditions and Specifications may be reviewed;
- (C) The date that Persons must file applications for prequalification under ORS 279C.430, if prequalification is a requirement, and the class or classes of Work for which Persons must be prequalified;
- (D) The scheduled Closing, which shall not be less than five Days after the date of the last publication of the advertisement;
- (E) The name, title and address of the Contracting Agency Person authorized to receive Offers;
- (F) The scheduled Opening; and

(G) If applicable, that the Contract is for a Public Work subject to ORS 279C.800 to 279C.870 or the Davis-Bacon Act (40 U.S.C. 3141 to 3148).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.360 & ORS 200.035

137-049-0220

Prequalification of Offerors

(1) **Prequalification.** Pursuant to ORS 279C.430 and this rule, two types of prequalification are authorized:

(a) **Mandatory Prequalification.** A Contracting Agency may require mandatory prequalification of Offerors on forms prescribed by the Contracting Agency's Contract Review Authority. The Contracting Agency shall determine prequalification status in accordance with 279C.430. A Contracting Agency must indicate in the Solicitation Document if it will require mandatory prequalification and establish the time for submitting the prequalification application. Mandatory prequalification is when a Contracting Agency conditions a Person's submission of an Offer upon the Person's prequalification. The Contracting Agency shall not consider an Offer from a Person that is not prequalified if the Contracting Agency required prequalification.

(b) **Permissive Prequalification.** A Contracting Agency may prequalify a Person for the Contracting Agency's Solicitation list on forms prescribed by the Contracting Agency's Contract Review Authority, but in permissive prequalification the Contracting Agency shall not limit distribution of a Solicitation to that list.

(2) **Prequalification Presumed.** If an Offeror is currently prequalified by either the Oregon Department of Transportation or the Oregon Department of Administrative Services to perform Contracts, the Offeror shall be rebuttably presumed qualified to perform similar Work for other Contracting Agencies.

(3) **Standards for Prequalification.** A Person may prequalify by demonstrating to the Contracting Agency's satisfaction:

(a) That the Person's financial, material, equipment, facility and personnel resources and expertise, or ability to obtain such resources and expertise, indicate that the Person is capable of meeting all contractual responsibilities;

(b) The Person's record of performance;

(c) The Person's record of integrity;

(d) The Person is qualified to contract with the Contracting Agency.

(See, Rule 137-049-0390(2) regarding standards of responsibility.)

(4) **Notice of Denial.** If a Person fails to prequalify for a mandatory prequalification, the Contracting Agency shall notify the Person, specify the reasons under section (3) of this rule and inform the Person of the Person's right to a hearing under ORS 279C.445 and 279C.450.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.430 & ORS 279C.435

137-049-0230

Eligibility to Bid or Propose; Registration or License

(1) **Construction Contracts.** A Contracting Agency shall not consider a Person's Offer to do Work as a contractor, as defined in ORS 701.005(2), unless the Person has a current, valid certificate of registration issued by the Construction Contractors Bd at the time the Offer is made.

(2) **Landscape Contracts.** A Contracting Agency shall not consider a Person's Offer to do Work as a landscape contractor as defined in ORS 671.520(2), unless the Person has a current, valid landscape contractor's license issued pursuant to ORS 671.560 by the State Landscape Contractors Bd at the time the offer is made.

(3) **Noncomplying Entities.** The Contracting Agency shall deem an Offer received from a Person that fails to comply with this rule nonresponsive and shall reject the Offer as stated in ORS 279C.365(1)(k), unless contrary to federal law or subject to different timing requirements set by federal funding agencies.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 671.530 & ORS 701.055

137-049-0240

Pre-Offer Conferences

(1) **Purpose.** A Contracting Agency may hold pre-Offer conferences with prospective Offerors prior to Closing, to explain the Procurement requirements, obtain information or to conduct site inspections.

(2) **Required Attendance.** The Contracting Agency may require attendance at the pre-Offer conference as a condition for making an Offer. Unless otherwise specified in the Solicitation Document, a mandatory attendance requirement is considered to have been met if, at any time during the mandatory meeting, a representative of an offering firm is present.

- (3) **Scheduled Time.** If a Contracting Agency holds a pre-Offer conference, it shall be held within a reasonable time after the Solicitation Document has been issued, but sufficiently before the Closing to allow Offerors to consider information provided at that conference.
- (4) **Statements Not Binding.** Statements made by a Contracting Agency's representative at the pre-Offer conference do not change the Solicitation Document unless the Contracting Agency confirms such statements with a Written Addendum to the Solicitation Document.
- (5) **Contracting Agency Announcement.** The Contracting Agency must set forth notice of any pre-Offer conference in the Solicitation Document in accordance with Rule 137-049-0200(1)(a)(B).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 & ORS 279C.370

137-049-0250

Addenda to Solicitation Documents

- (1) **Issuance; Receipt.** The Contracting Agency may change a Solicitation Document only by Written Addenda. An Offeror shall provide Written acknowledgement of receipt of all issued Addenda with its Offer, unless the Contracting Agency otherwise specifies in the Addenda or in the Solicitation Document.
- (2) **Notice and Distribution.** The Contracting Agency shall notify prospective Offerors of Addenda consistent with the standards of Notice set forth in Rule 137-049-0210(1). The Solicitation Document shall specify how the Contracting Agency will provide notice of Addenda and how the Contracting Agency will make the Addenda available (see Rule 137-049-0200(1)(a)(N)). For example, "Contracting Agency will not mail notice of Addenda, but will publish notice of any Addenda on Contracting Agency's Web site. Addenda may be downloaded off the Contracting Agency's Web site. Offerors should frequently check the Contracting Agency's Web site until closing, i.e., at least once weekly until the week of Closing and at least once daily the week of the Closing."
- (3) **Timelines; Extensions.** The Contracting Agency shall issue Addenda within a reasonable time to allow prospective Offerors to consider the Addenda in preparing their Offers. The Contracting Agency may extend the Closing if the Contracting Agency determines prospective Offerors need additional time to review and respond to Addenda. Except to the extent required by public interest, the Contracting Agency shall not issue Addenda less than 72 hours before the Closing unless the Addendum also extends the Closing.
- (4) **Request for Change or Protest.** Unless a different deadline is set forth in the Addendum, an Offeror may submit a Written request for change or protest to the Addendum, as provided in Rule 137-049-0260, by the close of the Contracting Agency's next business day after issuance of the Addendum, or up to the last day allowed to submit a request for change or protest under Rule 137-049-0260, whichever date is later. The Contracting Agency shall consider only an Offeror's request for change or protest to the Addendum; the Contracting Agency shall not consider a request for change or protest to matters not added or modified by the Addendum, unless the Offeror submits the request for change or protest before the deadline for the Contracting Agency's receipt of request for change or protests as set forth in Rule 137-049-0260(2) and (3).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.395 & ORS 279A.065

137-049-0260

Request for Clarification or Change; Solicitation Protests

- (1) **Clarification.** Prior to the deadline for submitting a Written request for change or protest, an Offeror may request that the Contracting Agency clarify any provision of the Solicitation Document. The Contracting Agency's clarification to an Offeror, whether orally or in Writing, does not change the Solicitation Document and is not binding on the Contracting Agency unless the Contracting Agency amends the Solicitation Document by Addendum.
- (2) **Request for Change.**
- (a) **Delivery.** An Offeror may request in Writing a change to the Specifications or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror must deliver the Written request for change to the Contracting Agency not less than 10 Days prior to Closing;
- (b) **Content of Request for Change.**
- (A) An Offeror's Written request for change shall include a statement of the requested change(s) to the Contract terms and conditions, including any Specifications, together with the reason for the requested change.
- (B) An Offeror shall mark its request for change as follows:
- (i) "Contract Provision Request for Change"; and
- (ii) Solicitation Document number (or other identification as specified in the Solicitation Document).

(3) **Protest.**

(a) **Delivery.** An Offeror may protest Specifications or Contract terms and conditions. Unless otherwise specified in the Solicitation Document, an Offeror must deliver a Written protest on those matters to the Contracting Agency not less than 10 Days prior to Closing;

(b) **Content of Protest.**

(A) An Offeror's Written protest shall include:

- (i) A detailed statement of the legal and factual grounds for the protest;
- (ii) A description of the resulting prejudice to the Offeror; and
- (iii) A statement of the desired changes to the Contract terms and conditions, including any Specifications.

(B) An Offeror shall mark its protest as follows:

- (i) "Contract Provision Protest"; and
- (ii) Solicitation Document number (or other identification as specified in the Solicitation Document)

(4) **Contracting Agency Response.** The Contracting Agency is not required to consider an Offeror's request for change or protest after the deadline established for submitting such request or protest. The Contracting Agency shall provide notice to the applicable Person if it entirely rejects a protest. If the Contracting Agency agrees with the Person's request or protest, in whole or in part, the Contracting Agency shall either issue an Addendum reflecting its determination under Rule 137-049-0260 or cancel the Solicitation under Rule 137-049-0270.

(5) **Extension of Closing.** If a Contracting Agency receives a Written request for change or protest from an Offeror in accordance with this rule, the Contracting Agency may extend Closing if the Contracting Agency determines an extension is necessary to consider the request or protest and issue an Addendum, if any, to the Solicitation Document.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.345 & ORS 279C.365

137-049-0270

Cancellation of Solicitation Document

(1) **Cancellation in the Public Interest.** A Contracting Agency may cancel a Solicitation for good cause if the Contracting Agency finds that cancellation is in the public interest. The Contracting Agency's reasons for cancellation shall be made part of the Solicitation file.

(2) **Notice of Cancellation.** If the Contracting Agency cancels a Solicitation prior to Opening, the Contracting Agency shall provide Notice of cancellation in accordance with Rule 137-049-0210(1). Such notice of cancellation shall:

- (a) Identify the Solicitation;
- (b) Briefly explain the reason for cancellation; and
- (c) If appropriate, explain that an opportunity will be given to compete on any resolicitation.

(3) **Disposition of Offers.**

(a) **Prior to Offer Opening.** If the Contracting Agency cancels a Solicitation prior to Offer Opening, the Contracting Agency shall return all Offers it received to Offerors unopened, provided the Offeror submitted its Offer in a hard copy format with a clearly visible return address. If there is no return address on the envelope, the Contracting Agency shall open the Offer to determine the source and then return it to the Offeror.

(b) **After Offer Opening.** If the Contracting Agency rejects all Offers, the Contracting Agency shall retain all such Offers as part of the Contracting Agency's Solicitation file.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.395

137-049-0280

Offer Submissions

(1) **Offer and Acceptance.** The Bid or Proposal is the Bidder's or Proposer's offer to enter into a Contract.

(a) In competitive Solicitations, the Offer is always a "Firm Offer," i.e., the Offer shall be held open by the Offeror for the Contracting Agency's acceptance for the period specified in Rule 137-049-0410. The Contracting Agency's Award of the Contract to a Bidder constitutes acceptance of the Offer and binds the Offeror to the Contract.

(b) Notwithstanding the fact that a competitive Proposal is a "Firm Offer" for the period specified in Rule 137-049-0410, the Contracting Agency may elect to discuss or negotiate certain contractual provisions, as identified in these rules or in the Solicitation Document with Proposer. See Rule 137-049-0650 on Requests for Proposals and Rule 137-049-0290 on Bid or Proposal Security.

(2) **Responsive Offer.** A Contracting Agency may Award a Contract only to a Responsible Offeror with a Responsive Offer.

- (3) **Contingent Offers.** Except to the extent that an Offeror is authorized to propose certain terms and conditions pursuant to Rule 137-049-0650, an Offeror shall not make an Offer contingent upon the Contracting Agency's acceptance of any terms or conditions (including Specifications) other than those contained in the Solicitation Document.
- (4) **Offeror's Acknowledgement.** By signing and returning the Offer, the Offeror acknowledges it has read and understands the terms and conditions contained in the Solicitation Document and that it accepts and agrees to be bound by the terms and conditions of the Solicitation Document. If the Request for Proposals permits proposal of alternative terms under Rule 137-049-0650, the Offeror's Offer includes the nonnegotiable terms and conditions and any proposed terms and conditions offered for negotiation upon and to the extent accepted by the Contracting Agency in Writing.
- (5) **Instructions.** An Offeror shall submit and Sign its Offer in accordance with the Solicitation Document. An Offeror shall initial and submit any correction or erasure to its Offer prior to the Opening in accordance with the requirements for submitting an Offer under the Solicitation Document.
- (6) **Forms.** An Offeror shall submit its Offer on the form(s) provided in the Solicitation Document, unless an Offeror is otherwise instructed in the Solicitation Document.
- (7) **Documents.** An Offeror shall provide the Contracting Agency with all documents and descriptive literature required under the Solicitation Document.
- (8) **Facsimile or Electronic Submissions.** If the Contracting Agency permits facsimile or electronic Offers in the Solicitation Document, the Offeror may submit facsimile or electronic Offers in accordance with the Solicitation Document. The Contracting Agency shall not consider facsimile or electronic Offers unless authorized by the Solicitation Document.
- (9) **Product Samples and Descriptive Literature.** A Contracting Agency may require Product Samples or descriptive literature if it is necessary or desirable to evaluate the quality, features or characteristics of the offered items. The Contracting Agency will dispose of Product Samples, or return or make available for return Product Samples to the Offeror in accordance with the Solicitation Document.
- (10) **Identification of Offers**
- (a) To ensure proper identification and handling, Offers shall be submitted in a sealed envelope appropriately marked or in the envelope provided by the Contracting Agency, whichever is applicable.
- (b) The Contracting Agency is not responsible for Offers submitted in any manner, format or to any delivery point other than as required in the Solicitation Document.
- (11) **Receipt of Offers.** The Offeror is responsible for ensuring that the Contracting Agency receives its Offer at the required delivery point prior to the Closing, regardless of the method used to submit or transmit the Offer.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 & ORS 279C.375

137-049-0290

Bid or Proposal Security

- (1) **Security Amount.** If a Contracting Agency requires Bid or Proposal security, it shall be not more than 10% or less than 5% of the Offeror's Bid or Proposal, consisting of the base Bid or Proposal together with all additive alternates. A Contracting Agency shall not use Bid or Proposal security to discourage competition. The Contracting Agency shall clearly state any Bid or Proposal security requirements in its Solicitation Document. The Offeror shall forfeit Bid or Proposal security after Award if the Offeror fails to execute the Contract and promptly return it with any required Performance Bond, Payment Bond and any required proof of insurance. See ORS 279C.365(4) and ORS 279C.385.
- (2) **Requirement for Bid Security (Optional for Proposals).** Unless a Contracting Agency has otherwise exempted a Solicitation or class of Solicitations from Bid security pursuant to ORS 279C.390, the Contracting Agency shall require Bid security for its Solicitation of Bids for Public Improvements. This requirement applies only to Public Improvement Contracts with a value, estimated by the Contracting Agency, of more than \$100,000 or, in the case of Contracts for highways, bridges and other transportation projects, more than \$50,000. See ORS 279C.365(5). The Contracting Agency may require Bid security even if it has exempted a class of Solicitations from Bid security. Contracting Agencies may also require Proposal security in RFPs. See ORS 279C.400(5).
- (3) **Form of Bid or Proposal Security.** A Contracting Agency may accept only the following forms of Bid or Proposal security:
- (a) A surety bond from a surety company authorized to do business in the State of Oregon;
- (b) An irrevocable letter of credit issued by an insured institution as defined in ORS 706.008; or
- (c) A cashier's check or Offeror's certified check.
- (4) **Return of Security.** A Contracting Agency shall return or release the Bid or Proposal security of all unsuccessful Offerors after a Contract has been fully executed and all required bonds and insurance have been provided, or after all Offers have been rejected. The Contracting Agency may return the Bid or

Proposal security of unsuccessful Offerors prior to Award if the return does not prejudice Contract Award and the security of at least the Bidders with the three lowest Bids, or the Proposers with the three highest scoring Proposals, is retained pending execution of a Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.385 & ORS 279C.390

137-049-0300

Facsimile Bids and Proposals

(1) **Contracting Agency Authorization.** A Contracting Agency may authorize Offerors to submit facsimile Offers. If the Contracting Agency determines that Bid or Proposal security is or will be required, the Contracting Agency shall not authorize facsimile Offers unless the Contracting Agency has established a method for receipt of such security. Prior to authorizing the submission of facsimile Offers, the Contracting Agency shall determine that the Contracting Agency's equipment and personnel are capable of receiving the size and volume of anticipated Offers within a short period of time. In addition, the Contracting Agency shall establish administrative procedures and controls:

- (a) To receive, identify, record and safeguard facsimile Offers;
- (b) To ensure timely delivery of Offers to the location of Opening; and
- (c) To preserve the Offers as sealed.

(2) **Provisions to be Included in Solicitation Document.** In addition to all other requirements, if the Contracting Agency authorizes a facsimile Offer for Bids or Proposals, the Contracting Agency shall include in the Solicitation Document (other than in a request for quotes) the following:

- (a) A provision substantially in the form of the following: "A 'facsimile Offer', as used in this Solicitation Document, means an Offer, modification of an Offer, or withdrawal of an Offer that is transmitted to and received by the Contracting Agency via a facsimile machine.";
- (b) A provision substantially in the form of the following: "Offerors may submit facsimile Offers in response to this Solicitation Document. The entire response must arrive at the place and by the time specified in this Solicitation Document.";
- (c) A provision that requires Offerors to Sign their facsimile Offers;
- (d) A provision substantially in the form of the following: "The Contracting Agency reserves the right to Award the Contract solely on the basis of the facsimile Offer. However, upon the Contracting Agency's request the apparent successful Offeror shall promptly submit its complete original Signed Offer.";
- (e) The data and compatibility characteristics of the Contracting Agency's receiving facsimile machine as follows:
 - (A) Telephone number; and
 - (B) Compatibility characteristics, e.g., make and model number, receiving speed, communications protocol; and
 - (f) A provision that the Contracting Agency is not responsible for any failure attributable to the transmission or receipt of the facsimile Offer including, but not limited to the following:
 - (A) Receipt of garbled or incomplete documents;
 - (B) Availability or condition of the receiving facsimile machine;
 - (C) Incompatibility between the sending and receiving facsimile machine;
 - (D) Delay in transmission or receipt of documents;
 - (E) Failure of the Offeror to properly identify the Offer documents;
 - (F) Illegibility of Offer documents; and
 - (G) Security and confidentiality of data.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365

137-049-0310

Electronic Procurement

(1) **General.** Contracting Agencies may utilize Electronic Advertisement of Public Improvement Contracts in accordance with ORS 279C.360(1) and Rule 137-049-0210(2)(b), provided that advertisement of such Contracts with an estimated Contract Price in excess of \$125,000 must also be published in a trade newspaper of general statewide circulation, and may post notices of intent to Award electronically as provided by ORS 279C.410(7).

(2) **Alternative Procedures.** In the event that a Contracting Agency desires to direct or permit the submission and receipt of Offers for a Public Improvement Contract by electronic means, as allowed under ORS 279C.365(1)(d), it shall first promulgate supporting procedures substantially in conformance with Rule 137-047-0330 (Electronic Procurement under ORS Chapter 279B), taking into account ORS Chapter 279C

requirements for written bids, opening bids publicly, bid security, first-tier subcontractor disclosure and inclusion of prevailing wage rates.

(3) **Interpretation.** Nothing in this rule shall be construed as prohibiting Contracting Agency from making procurement documents for Public Improvement Contracts available in electronic format as well as in hard copy when Bids are to be submitted only in hard copy.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365

137-049-0320

Pre-Closing Modification or Withdrawal of Offers

(1) **Modifications.** An Offeror may modify its Offer in Writing prior to the Closing. An Offeror shall prepare and submit any modification to its Offer to the Contracting Agency in accordance with Rule 137-049-0280, unless otherwise specified in the Solicitation Document. Any modification must include the Offeror's statement that the modification amends and supersedes the prior Offer. The Offeror shall mark the submitted modification as follows:

(a) Bid (or Proposal) Modification; and

(b) Solicitation Number (or Other Identification as specified in the Solicitation Document).

(2) Withdrawals

(a) An Offeror may withdraw its Offer by Written notice submitted on the Offeror's letterhead, Signed by an authorized representative of the Offeror, delivered to the location specified in the Solicitation Document (or the place of Closing if no location is specified), and received by the Contracting Agency prior to the Closing. The Offeror or authorized representative of the Offeror may also withdraw its Offer in Person prior to the Closing, upon presentation of appropriate identification and satisfactory evidence of authority.

(b) The Contracting Agency may release an unopened Offer withdrawn under subsection 2(a) to the Offeror or its authorized representative, after voiding any date and time stamp mark.

(c) The Offeror shall mark the Written request to withdraw an Offer as follows:

(A) Bid (or Proposal) Withdrawal; and

(B) Solicitation Number (or Other Identification as specified in the Solicitation Document).

(3) **Documentation.** The Contracting Agency shall include all documents relating to the modification or withdrawal of Offers in the appropriate Solicitation file.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.360(2), ORS 279C.365, ORS 279C.375 & ORS 279C.395

137-049-0330

Receipt, Opening and Recording of Offers; Confidentiality of Offers

(1) **Receipt.** A Contracting Agency shall electronically or mechanically time-stamp or hand-mark each Offer and any modification upon receipt. The Contracting Agency shall not open the Offer or modification upon receipt, but shall maintain it as confidential and secure until Opening. If the Contracting Agency inadvertently opens an Offer or a modification prior to the Opening, the Contracting Agency shall return the Offer or modification to its secure and confidential state until Opening. The Contracting Agency shall document the resealing for the Procurement file (e.g. "Contracting Agency inadvertently opened the Offer due to improper identification of the Offer").

(2) **Opening and Recording.** A Contracting Agency shall publicly open Offers including any modifications made to the Offer pursuant to Rule 137-049-0320. In the case of Invitations to Bid, to the extent practicable, the Contracting Agency shall read aloud the name of each Bidder, the Bid price(s), and such other information as the Contracting Agency considers appropriate. In the case of Requests for Proposals or voluminous Bids, if the Solicitation Document so provides, the Contracting Agency will not read Offers aloud.

(3) **Availability.** After Opening, the Contracting Agency shall make Bids available for public inspection, but, pursuant to ORS 279C.410, Proposals are not subject to disclosure until after notice of intent to award is issued. In any event, Contracting Agencies may withhold from disclosure those portions of an Offer that the Offeror designates as trade secrets or as confidential proprietary data in accordance with applicable law. See ORS 192.501(2); ORS 646.461 to 646.475. To the extent the Contracting Agency determines such designation is not in accordance with applicable law, the Contracting Agency shall make those portions available for public inspection. The Offeror shall separate information designated as confidential from other nonconfidential information at the time of submitting its Offer. Prices, makes, model or catalog numbers of items offered, scheduled delivery dates, and terms of payment are not confidential, and shall be publicly available regardless of an Offeror's designation to the contrary.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.375 & ORS 279C.395

137-049-0340

Late Bids, Late Withdrawals and Late Modifications

Any Offer received after Closing is late. An Offeror's request for withdrawal or modification of an Offer received after Closing is late. A Contracting Agency shall not consider late Offers, withdrawals or modifications except as permitted in Rules 137-049-0350 or 137-049-0390.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.375 & ORS 279C.395

137-049-0350

Mistakes

(1) **Generally.** To protect the integrity of the competitive Procurement process and to assure fair treatment of Offerors, a Contracting Agency should carefully consider whether to permit waiver, correction or withdrawal of Offers for certain mistakes.

(2) **Contracting Agency Treatment of Mistakes.** A Contracting Agency shall not allow an Offeror to correct or withdraw an Offer for an error in judgment. If the Contracting Agency discovers certain mistakes in an Offer after Opening, but before Award of the Contract, the Contracting Agency may take the following action:

(a) A Contracting Agency may waive, or permit an Offeror to correct, a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the Offer, or an insignificant mistake that can be waived or corrected without prejudice to other Offerors. Examples of minor informalities include an Offeror's failure to:

(A) Return the correct number of Signed Offers or the correct number of other documents required by the Solicitation Document;

(B) Sign the Offer in the designated block, provided a Signature appears elsewhere in the Offer, evidencing an intent to be bound; and

(C) Acknowledge receipt of an Addendum to the Solicitation Document, provided that it is clear on the face of the Offer that the Offeror received the Addendum and intended to be bound by its terms; or the Addendum involved did not affect price, quality or delivery.

(b) A Contracting Agency may correct a clerical error if the error is evident on the face of the Offer or other documents submitted with the Offer, and the Offeror confirms the Contracting Agency's correction in Writing. A clerical error is an Offeror's error in transcribing its Offer. Examples include typographical mistakes, errors in extending unit prices, transposition errors, arithmetical errors, instances in which the intended correct unit or amount is evident by simple arithmetic calculations (for example a missing unit price may be established by dividing the total price for the units by the quantity of units for that item or a missing, or incorrect total price for an item may be established by multiplying the unit price by the quantity when those figures are available in the Offer). In the event of a discrepancy, unit prices shall prevail over extended prices.

(c) A Contracting Agency may permit an Offeror to withdraw an Offer based on one or more clerical errors in the Offer only if the Offeror shows with objective proof and by clear and convincing evidence:

(A) The nature of the error;

(B) That the error is not a minor informality under this subsection or an error in judgment;

(C) That the error cannot be corrected or waived under subsection (b) of this section;

(D) That the Offeror acted in good faith in submitting an Offer that contained the claimed error and in claiming that the alleged error in the Offer exists;

(E) That the Offeror acted without gross negligence in submitting an Offer that contained a claimed error;

(F) That the Offeror will suffer substantial detriment if the Contracting Agency does not grant the Offeror permission to withdraw the Offer;

(G) That the Contracting Agency's or the public's status has not changed so significantly that relief from the forfeiture will work a substantial hardship on the Contracting Agency or the public it represents; and

(H) That the Offeror promptly gave notice of the claimed error to the Contracting Agency.

(d) The criteria in subsection (2)(c) of this rule shall determine whether a Contracting Agency will permit an Offeror to withdraw its Offer after Closing. These criteria also shall apply to the question of whether a Contracting Agency will permit an Offeror to withdraw its Offer without forfeiture of its Bid bond (or other Bid or Proposal security), or without liability to the Contracting Agency based on the difference between the amount of the Offeror's Offer and the amount of the Contract actually awarded by the Contracting Agency, whether by Award to the next lowest Responsive and Responsible Bidder or the best Responsive and Responsible Proposer, or by resort to a new solicitation.

(3) **Rejection for Mistakes.** The Contracting Agency shall reject any Offer in which a mistake is evident on the face of the Offer and the intended correct Offer is not evident or cannot be substantiated from documents submitted with the Offer.

(4) **Identification of Mistakes after Award.** The procedures and criteria set forth above are Offeror's only opportunity to correct mistakes or withdraw Offers because of a mistake. Following Award, an Offeror is bound by its Offer, and may withdraw its Offer or rescind a Contract entered into pursuant to this division 49 only to the extent permitted by applicable law.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375 & ORS 279C.395

137-049-0360

First-Tier Subcontractors; Disclosure and Substitution

(1) **Required Disclosure.** Within two working hours after the Bid Closing on an ITB for a Public Improvement having a Contract Price anticipated by the Contracting Agency to exceed \$100,000, all Bidders shall submit to the Contracting Agency a disclosure form as described by ORS 279C.370(2), identifying any first-tier subcontractors (those Entities that would be contracting directly with the prime contractor) that will be furnishing labor or labor and materials on the Contract, if Awarded, whose subcontract value would be equal to or greater than:

- (a) Five percent of the total Contract Price, but at least \$15,000; or
- (b) \$350,000, regardless of the percentage of the total Contract Price.

(2) **Bid Closing, Disclosure Deadline and Bid Opening.** For each ITB to which this rule applies, the Contracting Agency shall:

- (a) Set the Bid Closing on a Tuesday, Wednesday or Thursday, and at a time between 2 p.m. and 5 p.m., except that these Bid Closing restrictions do not apply to an ITB for maintenance or construction of highways, bridges or other transportation facilities, and provided that the two-hour disclosure deadline described by this rule would not then fall on a legal holiday;
- (b) Open Bids publicly immediately after the Bid Closing; and
- (c) Consider for Contract Award only those Bids for which the required disclosure has been submitted by the announced deadline on forms prescribed by the Contracting Agency.

(3) **Bidder Instructions and Disclosure Form.** For the purposes of this rule, a Contracting Agency in its Solicitation shall:

(a) Prescribe the disclosure form that must be utilized, substantially in the form set forth in ORS 279C.370(2); and

(b) Provide instructions in a notice substantially similar to the following:

"Instructions for First-Tier Subcontractor Disclosure

Bidders are required to disclose information about certain first-tier subcontractors when the contract value for a Public Improvement is estimated by the Contracting Agency to be greater than \$100,000 (see ORS 279C.370). Specifically, when the contract amount of a first-tier subcontractor furnishing labor or labor and materials would be greater than or equal to: (i) 5% of the project Bid, but at least \$15,000, or (ii) \$350,000 regardless of the percentage, the Bidder must disclose the following information about that subcontract either in its Bid submission, or within two hours after Bid Closing:

- (1) The subcontractor's name,
- (2) The category of Work that the subcontractor would be performing, and
- (3) The dollar value of the subcontract.

If the Bidder will not be using any subcontractors that are subject to the above disclosure requirements, the Bidder is required to indicate "NONE" on the accompanying form.

THE CONTRACTING AGENCY MUST REJECT A BID IF THE BIDDER FAILS TO SUBMIT THE DISCLOSURE FORM WITH THIS INFORMATION BY THE STATED DEADLINE (see Rule 137-049-0360)."

(4) **Submission.** A Bidder shall submit the disclosure form required by this rule either in its Bid submission, or within two Working hours after Bid Closing in the manner specified by the ITB.

(5) **Responsiveness.** Compliance with the disclosure and submittal requirements of ORS 279C.370 and this rule is a matter of Responsiveness. Bids that are submitted by Bid Closing, but for which the disclosure submittal has not been made by the specified deadline, are not Responsive and shall not be considered for Contract Award.

(6) **Contracting Agency Role.** Contracting Agencies shall obtain, and make available for public inspection, the disclosure forms required by ORS 279C.370 and this rule. Contracting Agencies shall also provide copies of disclosure forms to the Bureau of Labor and Industries as required by ORS 279C.835. Contracting Agencies are not required to determine the accuracy or completeness of the information provided on disclosure forms.

(7) **Substitution.** Substitution of affected first-tier subcontractors shall be made only in accordance with ORS 279C.585. Contracting Agencies shall accept Written submissions filed under that statute as public records. Aside from issues involving inadvertent clerical error under ORS 279C.585, Contracting Agencies

do not have a statutory role or duty to review, approve or resolve disputes concerning such substitutions. See ORS 279C.590 regarding complaints to the Construction Contractors Board on improper substitution.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.370, ORS 279C.585, ORS 279C.590 & ORS 279C.835

137-049-0370

Disqualification of Persons

(1) **Authority.** A Contracting Agency may disqualify a Person from consideration of Award of the Contracting Agency's Contracts after providing the Person with notice and a reasonable opportunity to be heard in accordance with sections (2) and (4) of this rule.

(a) Standards for Conduct Disqualification. As provided in ORS 279C.440, a Contracting Agency may disqualify a Person for:

(A) Conviction for the commission of a criminal offense as an incident in obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.

(B) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty that currently, seriously and directly affects the Person's responsibility as a contractor.

(C) Conviction under state or federal antitrust statutes.

(D) Violation of a contract provision that is regarded by the Contracting Agency to be so serious as to justify Conduct Disqualification. A violation under this subsection 1(a)(D) may include but is not limited to material failure to perform the terms of a contract or an unsatisfactory performance in accordance with the terms of the contract. However, a Person's failure to perform or unsatisfactory performance caused by acts beyond the Person's control is not a basis for Disqualification.

(b) Standards for DBE Disqualification. As provided in ORS 200.065, 200.075 or 279A.110, a Contracting Agency may disqualify a Person's right to submit an Offer or to participate in a Contract (e.g. subcontractors) as follows:

(A) For a DBE Disqualification under ORS 200.065, the Contracting Agency may disqualify a Person upon finding that:

(i) The Person fraudulently obtained or retained or attempted to obtain or retain or aided another Person to fraudulently obtain or retain or attempt to obtain or retain certification as a disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business, or a business that a veteran, as defined by ORS 200.005, owns; or

(ii) The Person knowingly made a false claim that any Person is qualified for certification or is certified under ORS 200.055 for the purpose of gaining a Contract or subcontract or other benefit; or

(iii) The Person has been disqualified by another Contracting Agency pursuant to ORS 200.065.

(B) For a DBE Disqualification under ORS 200.075, the Contracting Agency may disqualify a Person upon finding that:

(i) The Person has entered into an agreement representing that a disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business, or a business that a veteran, as defined by ORS 200.005, owns, certified under ORS 200.055 ("Certified Enterprise"), will perform or supply materials under a Public Improvement Contract without the knowledge and consent of the Certified Enterprise; or

(ii) The Person exercises management and decision-making control over the internal operations, as defined by ORS 200.075(1)(b), of any Certified Enterprise; or

(iii) The Person uses a Certified Enterprise to perform services under a contract or to provide supplies under a Public Improvement Contract to meet an established Certified Enterprise goal, and such enterprise does not perform a commercially useful function, as defined by ORS 200.075(3), in performing its obligations under the contract.

(iv) If a Person is Disqualified for a DBE Disqualification under ORS 200.075, the affected Contracting Agency shall not permit such Person to participate in that Contracting Agency's Contracts.

(C) For a DBE Disqualification under ORS 279A.110, a Contracting Agency may disqualify a Person if the Contracting Agency finds that the Person discriminated against a disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business, or a business that a veteran, as defined by ORS 200.005, owns in awarding a subcontract under a Contract with that Contracting Agency.

(2) **Notice of Intent to Disqualify.** The Contracting Agency shall notify the Person in Writing of a proposed Disqualification personally or by registered or certified mail, return receipt requested. This notice shall:

(a) State that the Contracting Agency intends to disqualify the Person;

(b) Set forth the reasons for the Disqualification;

(c) Include a statement of the Person's right to a hearing if requested in Writing within the time stated in the notice and that if the Contracting Agency does not receive the Person's Written request for a hearing within the time stated, the Person shall have waived its right to a hearing;

- (d) Include a statement of the authority and jurisdiction under which the hearing will be held;
 - (e) Include a reference to the particular sections of the statutes and rules involved;
 - (f) State the proposed Disqualification period; and
 - (g) State that the Person may be represented by legal counsel.
- (3) **Hearing.** The Contracting Agency shall schedule a hearing upon the Contracting Agency receipt of the Person's timely hearing request. Within a reasonable time prior to the hearing, the Contracting Agency shall notify the Person of the time and place of the hearing and provide information on the procedures, right of representation and other rights related to the conduct of the hearing.
- (4) **Notice of Disqualification.** The Contracting Agency will notify the Person in Writing of its Disqualification, personally or by registered or certified mail, return receipt requested. The notice shall contain:
- (a) The effective date and period of Disqualification;
 - (b) The grounds for Disqualification; and
 - (c) A statement of the Person's appeal rights and applicable appeal deadlines. For a Conduct Disqualification or a DBE Disqualification under ORS 279A.110, the disqualified person must notify the Contracting Agency in Writing within three business Days after receipt of the Contracting Agency's notice of Disqualification if the Person intends to appeal the Contracting Agency's decision.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 200.065, ORS 200.075, ORS 279A.110, ORS 279C.440, ORS 279C.445 & ORS 279C.450

137-049-0380

Bid or Proposal Evaluation Criteria

- (1) **General.** A Public Improvement Contract, if Awarded, shall be Awarded to the Responsible Bidder submitting the lowest Responsive Bid, or to the Responsible Proposer submitting the best Responsive Proposal. See Rule 137-049-0390, and Rules for Alternative Contracting Methods at Rules 137-049-0600 to 137-049-0690.
- (2) **Bid Evaluation Criteria.** Invitations to Bid may solicit lump-sum Offers, unit-price Offers or a combination of the two.
- (a) **Lump Sum.** If the ITB requires a lump-sum Bid, without additive or deductive alternates, or if the Contracting Agency elects not to award additive or deductive alternates, Bids shall be compared on the basis of lump-sum prices, or lump-sum base Bid prices, as applicable. If the ITB calls for a lump-sum base Bid, plus additive or deductive alternates, the total Bid price shall be calculated by adding to or deducting from the base Bid those alternates selected by the Contracting Agency, for the purpose of comparing Bids.
- (b) **Unit Price.** If the Bid includes unit pricing for estimated quantities, the total Bid price shall be calculated by multiplying the estimated quantities by the unit prices submitted by the Bidder, and adjusting for any additive or deductive alternates selected by the Contracting Agency, for the purpose of comparing Bids. Contracting Agencies shall specify within the Solicitation Document the estimated quantity of the procurement to be used for determination of the low Bidder. In the event of mathematical discrepancies between unit price and any extended price calculations submitted by the Bidder, the unit price shall govern. See Rule 137-049-0350(2)(b).
- (3) **Proposal Evaluation Criteria.** If the Contracting Agency's Contract Review Authority has exempted the Procurement of a Public Improvement from the competitive bidding requirements of ORS 279C.335(1), and has directed the Contracting Agency to use an Alternative Contracting Method under ORS 279C.335(4), the Contracting Agency shall set forth the evaluation criteria in the Solicitation Documents. See Rules 137-049-0650, 137-049-0650, ORS 279C.335 and 279C.405.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335

137-049-0390

Offer Evaluation and Award; Determination of Responsibility

- (1) **General.** If Awarded, the Contracting Agency shall Award the Contract to the Responsible Bidder submitting the lowest, Responsive Bid or the Responsible Proposer or Proposers submitting the best, Responsive Proposal or Proposals, provided that such Person is not listed by the Construction Contractors Board as disqualified to hold a Public Improvement Contract, see ORS 279C.375(3)(a), or is ineligible for Award as a Nonresident (as defined in ORS 279A.120) education service district (ORS 279C.325). The Contracting Agency may Award by item, groups of items or the entire Offer provided such Award is consistent with the Solicitation Document and in the public interest. Where Award is based on competitive Bids, ORS 279C.375(5) permits multiple Contract awards when specified in the ITB.

(2) **Determination of Responsibility.** Offerors are required to demonstrate their ability to perform satisfactorily under a Contract. Before Awarding a Contract, the Contracting Agency must have information that indicates that the Offeror meets the standards of responsibility set forth in ORS 279C.375(3)(b). To be a Responsible Offeror, the Contracting Agency must determine that the Offeror:

- (a) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or ability to obtain the resources and expertise, necessary to meet all contractual responsibilities;
- (b) Has completed previous contracts of a similar nature with a satisfactory record of performance. A satisfactory record of performance means that to the extent the costs associated with and time available to perform a previous contract were within the Offeror's control, the Offeror stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. A Contracting Agency should carefully scrutinize an Offeror's record of contract performance if the Offeror is or recently has been materially deficient in contract performance. In reviewing the Offeror's performance, the Contracting Agency should determine whether the Offeror's deficient performance was expressly excused under the terms of contract, or whether the Offeror took appropriate corrective action. The Contracting Agency may review the Offeror's performance on both private and Public Contracts in determining the Offeror's record of contract performance. The Contracting Agency shall make its basis for determining an Offeror not Responsible under this paragraph part of the Solicitation file;
- (c) Has a satisfactory record of integrity. An Offeror may lack integrity if a Contracting Agency determines the Offeror demonstrates a lack of business ethics such as violation of state environmental laws or false certifications made to a Contracting Agency. A Contracting Agency may find an Offeror not Responsible based on the lack of integrity of any Person having influence or control over the Offeror (such as a key employee of the Offeror that has the authority to significantly influence the Offeror's performance of the Contract or a parent company, predecessor or successor Person). The standards for Conduct Disqualification under Rule 137-049-0370 may be used to determine an Offeror's integrity. A Contracting Agency may find an Offeror non-responsible based on previous convictions of offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the Offeror's performance of a contract or subcontract. The Contracting Agency shall make its basis for determining that an Offeror is not Responsible under this paragraph part of the Solicitation file;
- (d) Is legally qualified to contract with the Contracting Agency;
- (e) Holds current licenses that businesses or service professionals operating in this state must hold in order to undertake or perform the Work specified in the Contract;
- (f) Is covered by liability insurance and other insurance in amounts the Contracting Agency requires in the Solicitation Documents;
- (g) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407 or has elected coverage under ORS 656.128;
- (h) Has made the disclosure required under ORS 279C.370; and
- (i) Has supplied all necessary information in connection with the inquiry concerning responsibility. If the Offeror fails to promptly supply information requested by the Contracting Agency concerning responsibility, the Contracting Agency shall base the determination of responsibility upon any available information, or may find the Offeror not Responsible.

(3) **Documenting Agency Determinations.** Contracting Agencies shall document their compliance with ORS 279C.375(3) and the above sections of this rule on a Responsibility Determination Form substantially as set forth in ORS 279.375(3)(c), and file that form with the Construction Contractors Board within 30 days after Contract Award.

(4) **Contracting Agency Evaluation.** The Contracting Agency shall evaluate an Offer only as set forth in the Solicitation Document and in accordance with applicable law. The Contracting Agency shall not evaluate an Offer using any other requirement or criterion.

(5) **Offeror Submissions.**

- (a) The Contracting Agency may require an Offeror to submit Product Samples, descriptive literature, technical data, or other material and may also require any of the following prior to Award:
 - (A) Demonstration, inspection or testing of a product prior to Award for characteristics such as compatibility, quality or workmanship;
 - (B) Examination of such elements as appearance or finish; or
 - (C) Other examinations to determine whether the product conforms to Specifications.
- (b) The Contracting Agency shall evaluate product acceptability only in accordance with the criteria disclosed in the Solicitation Document to determine that a product is acceptable. The Contracting Agency shall reject an Offer providing any product that does not meet the Solicitation Document requirements. A Contracting Agency's rejection of an Offer because it offers nonconforming Work or materials is not Disqualification and is not appealable under ORS 279C.445.

(6) **Evaluation of Bids.** The Contracting Agency shall use only objective criteria to evaluate Bids as set forth in the ITB. The Contracting Agency shall evaluate Bids to determine which Responsible Offeror offers the lowest Responsive Bid.

- (a) Nonresident Bidders. In determining the lowest Responsive Bid, the Contracting Agency shall, in accordance with Rule 137-046-0310, add a percentage increase to the Bid of a nonresident Bidder equal to the percentage, if any, of the preference given to that Bidder in the state in which the Bidder resides.
 - (b) Clarifications. In evaluating Bids, a Contracting Agency may seek information from a Bidder only to clarify the Bidder's Bid. Such clarification shall not vary, contradict or supplement the Bid. A Bidder must submit Written and Signed clarifications and such clarifications shall become part of the Bidder's Bid.
 - (c) Negotiation Prohibited. Except as allowed by Rules 137-049-0420(1) and 137-049-0430, the Contracting Agency shall not negotiate scope of Work or other terms or conditions under an Invitation to Bid process prior to Award.
- (7) **Evaluation of Proposals.** See Rule 137-049-0650 regarding rules applicable to Requests for Proposals.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279C.365, ORS 279C.375 & ORS 279C.395

137-049-0395

Notice of Intent to Award

- (1) **Notice.** At least seven days before the Award of a Public Improvement Contract, unless the Contracting Agency determines that seven days is impractical and documents its reasons therefore in the procurement file, the Contracting Agency shall issue to each Bidder (pursuant to ORS 279C.375(2)) and each Proposer (pursuant to ORS 279C.410(7)), or post, electronically or otherwise, a notice of the Contracting Agency's intent to Award the Contract. This requirement does not apply to Award of a small, intermediate (informal competitive quotes) or emergency Public Improvement Contract awarded under ORS 279C.335(1)(c) or (d) or (6).
- (2) **Form and Manner of Posting.** The form and manner of posting notice shall conform to customary practices within the Contracting Agency's procurement system, and may be made electronically.
- (3) **Finalizing Award.** The Contracting Agency's Award shall not be final until the later of the following:
 - (a) Seven Days after the date of the notice, unless the Solicitation Document provided a different period for protest; or
 - (b) The Contracting Agency provides a Written response to all timely-filed protests that denies the protest and affirms the Award.
- (4) **Prior Notice Impractical.** Posting of notice of intent to award shall not be required when the Contracting Agency determines that it is impractical due to unusual time constraints in making prompt Award for its immediate procurement needs, documents the Contract file as to the reason for the determination, and posts notice of that action as soon as reasonably practical.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375

137-049-0400

Documentation of Award; Availability of Award Decisions

- (1) **Basis of Award.** After Award, the Contracting Agency shall make a record showing the basis for determining the successful Offeror part of the Contracting Agency's Solicitation file.
- (2) **Contents of Award Record for Bids.** The Contracting Agency's record shall include:
 - (a) All submitted Bids;
 - (b) Completed Bid tabulation sheet; and
 - (c) Written justification for any rejection of lower Bids.
- (3) **Contents of Award Record for Proposals.** Where the use of Requests for Proposals is authorized as set forth in Rule 137-049-0650, the Contracting Agency's record shall include:
 - (a) All submitted Proposals.
 - (b) The completed evaluation of the Proposals;
 - (c) Written justification for any rejection of higher scoring Proposals or for failing to meet mandatory requirements of the Request for Proposal; and
 - (d) If the Contracting Agency permitted negotiations in accordance with Rule 137-049-0650, the Contracting Agency's completed evaluation of the initial Proposals and the Contracting Agency's completed evaluation of final Proposals.
- (4) **Contract Document.** The Contracting Agency shall deliver a fully executed copy of the final Contract to the successful Offeror.
- (5) **Bid Tabulations and Award Summaries.** Upon request of any Person the Contracting Agency shall provide tabulations of Awarded Bids or evaluation summaries of Proposals for a nominal charge which may be payable in advance. Requests must contain the Solicitation Document number and, if requested, be accompanied by a self-addressed, stamped envelope. Contracting Agencies may also provide tabulations

of Bids and Proposals Awarded on designated Web sites or on the Contracting Agency's Electronic Procurement System.

(6) **Availability of Solicitation Files.** The Contracting Agency shall make completed Solicitation files available for public review at the Contracting Agency.

(7) **Copies from Solicitation Files.** Any Person may obtain copies of material from Solicitation files upon payment of a reasonable copying charge.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365 & ORS 279C.375

137-049-0410

Time for Contracting Agency Acceptance; Extension

(1) **Time for Offer Acceptance.** An Offeror's Bid, or Proposal submitted as a Firm Offer (see Rule 137-049-0280), is irrevocable, valid and binding on the Offeror for not less than 30 Days from Closing unless otherwise specified in the Solicitation Document.

(2) **Extension of Acceptance Time.** A Contracting Agency may request, orally or in Writing, that Offerors extend, in Writing, the time during which the Contracting Agency may consider and accept their Offer(s). If an Offeror agrees to such extension, the Offer shall continue as a Firm Offer, irrevocable, valid and binding on the Offeror for the agreed-upon extension period.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375

137-049-0420

Negotiation With Bidders Prohibited

(1) **Bids.** Except as permitted by ORS 279C.340 and Rule 137-049-0430 when all bids exceed the cost estimate, a Contracting Agency shall not negotiate with any Bidder prior to Contract Award. After Award of the Contract, the Contracting Agency and Contractor may modify the Contract only by change order or amendment to the Contract in accordance with Rule 137-049-0910.

(2) **Requests for Proposals.** A Contracting Agency may conduct discussions or negotiations with Proposers only in accordance with the requirements of Rule 137-049-0650.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.340 & ORS 279C.375

137-049-0430

Negotiation When Bids Exceed Cost Estimate

(1) **Generally.** In accordance with ORS 279C.340, if all Responsive Bids from Responsible Bidders on a competitively Bid Project exceed the Contracting Agency's Cost Estimate, prior to Contract Award the Contracting Agency may negotiate Value Engineering and Other Options with the Responsible Bidder submitting the lowest, Responsive Bid in an attempt to bring the Project within the Contracting Agency's Cost Estimate. The subcontractor disclosure and substitution requirements of Rule 137-049-0360 do not apply to negotiations under this rule.

(2) **Definitions.** The following definitions apply to this administrative rule:

(a) **"Cost Estimate"** means the Contracting Agency's most recent pre-Bid, good faith assessment of anticipated Contract costs, consisting either of an estimate of an architect, engineer or other qualified professional, or confidential cost calculation Worksheets, where available, and otherwise consisting of formal planning or budgetary documents.

(b) **"Other Options"** means those items generally considered appropriate for negotiation in the RFP process, relating to the details of Contract performance as specified in Rule 137-049-0650, but excluding any material requirements previously announced in the Solicitation process that would likely affect the field of competition.

(c) **"Project"** means a Public Improvement.

(d) **"Value Engineering"** means the identification of alternative methods, materials or systems which provide for comparable function at reduced initial or life-time cost. It includes proposed changes to the plans, Specifications, or other Contract requirements which may be made, consistent with industry practice, under the original Contract by mutual agreement in order to take advantage of potential cost savings without impairing the essential functions or characteristics of the Public Improvement. Cost savings include those resulting from life cycle costing, which may either increase or decrease absolute costs over varying time periods.

- (3) **Rejection of Bids.** In determining whether all Responsive Bids from Responsible Bidders exceed the Cost Estimate, only those Bids that have been formally rejected, or Bids from Bidders who have been formally disqualified by the Contracting Agency, shall be excluded from consideration.
- (4) **Scope of Negotiations.** Contracting Agencies shall not proceed with Contract Award if the scope of the Project is significantly changed from the original Bid. The scope is considered to have been significantly changed if the pool of competition would likely have been affected by the change; that is, if other Bidders would have been expected by the Contracting Agency to participate in the bidding process had the change been made during the Solicitation process rather than during negotiation. This rule shall not be construed to prohibit resolicitation of trade subcontracts.
- (5) **Discontinuing Negotiations.** The Contracting Agency may discontinue negotiations at any time, and shall do so if it appears to the Contracting Agency that the apparent low Bidder is not negotiating in good faith or fails to share cost and pricing information upon request. Failure to rebid any portion of the project, or to obtain subcontractor pricing information upon request, shall be considered a lack of good faith.
- (6) **Limitation.** Negotiations may be undertaken only with the lowest Responsive, Responsible Bidder pursuant to ORS 279C.340. That statute does not provide any additional authority to further negotiate with Bidders next in line for Contract Award.
- (7) **Public Records.** To the extent that a Bidder's records used in Contract negotiations under ORS 279C.340 are public records, they are exempt from disclosure until after the negotiated Contract has been awarded or the negotiation process has been terminated, at which time they are subject to disclosure pursuant to the provisions of the Oregon Public Records Law, ORS 192.410 to 192.505.

Stat. Auth.: ORS 279C.340 & ORS 279A.065
 Stats. Implemented: ORS 279C.340

137-049-0440

Rejection of Offers

(1) Rejection of an Offer.

- (a) A Contracting Agency may reject any Offer upon finding that to accept the Offer may impair the integrity of the Procurement process or that rejecting the Offer is in the public interest.
- (b) The Contracting Agency shall reject an Offer upon the Contracting Agency's finding that the Offer:
- (A) Is contingent upon the Contracting Agency's acceptance of terms and conditions (including Specifications) that differ from the Solicitation Document;
 - (B) Takes exception to terms and conditions (including Specifications);
 - (C) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of Solicitation Document or in contravention of applicable law;
 - (D) Offers Work or goods that fail to meet the Specifications of the Solicitation Document;
 - (E) Is late;
 - (F) Is not in substantial compliance with the Solicitation Documents;
 - (G) Is not in substantial compliance with all prescribed public Solicitation procedures.
- (c) The Contracting Agency shall reject an Offer upon the Contracting Agency's finding that the Offeror:
- (A) Has not been prequalified under ORS 279C.430 and the Contracting Agency required mandatory prequalification;
 - (B) Has been Disqualified;
 - (C) Has been declared ineligible under ORS 279C.860 by the Commissioner of Bureau of Labor and Industries and the Contract is for a Public Work;
 - (D) Is listed as not qualified by the Construction Contractors Bd, if the Contract is for a Public Improvement;
 - (E) Has not met the requirements of ORS 279A.105 if required by the Solicitation Document;
 - (F) Has not submitted properly executed Bid or Proposal security as required by the Solicitation Document;
 - (G) Has failed to provide the certification required under section 3 of this rule;
 - (H) Is not Responsible. See Rule 137-049-0390(2) regarding Contracting Agency determination that the Offeror has met statutory standards of responsibility.
- (2) **Form of Business.** For purposes of this rule, the Contracting Agency may investigate any Person submitting an Offer. The investigation may include that Person's officers, Directors, owners, affiliates, or any other Person acquiring ownership of the Person to determine application of this rule or to apply the Disqualification provisions of ORS 279C.440 to 279C.450 and Rule 137-049-0370.
- (3) **Certification of Non-Discrimination.** The Offeror shall certify and deliver to the Contracting Agency Written certification, as part of the Offer that the Offeror has not discriminated and will not discriminate against any disadvantaged business enterprise, minority-owned business, women-owned business, emerging small business, or business that a veteran, as defined by ORS 200.005, owns in obtaining any required subcontracts. Failure to do so shall be grounds for disqualification.

(4) **Notice.** Contracting Agency need not provide an Offeror with any notice in the event that its Offer is rejected. However, Contracting Agency will provide all Offerors with a Notice of Intent to Award, as required, pursuant to Rule 137-049-0395.

(5) **Rejection of all Offers.** A Contracting Agency may reject all Offers for good cause upon the Contracting Agency's Written finding it is in the public interest to do so. The Contracting Agency shall notify all Offerors of the rejection of all Offers, along with the good cause justification and finding.

(6) **Criteria for Rejection of All Offers.** The Contracting Agency may reject all Offers upon a Written finding that:

- (a) The content of or an error in the Solicitation Document, or the Solicitation process unnecessarily restricted competition for the Contract;
- (b) The price, quality or performance presented by the Offerors is too costly or of insufficient quality to justify acceptance of the Offer;
- (c) Misconduct, error, or ambiguous or misleading provisions in the Solicitation Document threaten the fairness and integrity of the competitive process;
- (d) Causes other than legitimate market forces threaten the integrity of the competitive Procurement process. These causes include, but are not limited to, those that tend to limit competition such as restrictions on competition, collusion, corruption, unlawful anti-competitive conduct and inadvertent or intentional errors in the Solicitation Document;
- (e) The Contracting Agency cancels the Solicitation in accordance with Rule 137-049-0270; or
- (f) Any other circumstance indicating that Awarding the Contract would not be in the public interest.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.105, ORS 279A.110, ORS 279C.375, ORS 279C.380 & ORS 279C.395,

137-049-0450

Protest of Contractor Selection, Contract Award

(1) **Purpose.** An adversely affected or aggrieved Offeror must exhaust all avenues of administrative review and relief before seeking judicial review of the Contracting Agency's Contractor selection or Contract Award decision. These administrative remedies apply to all public contracts awarded by Contracting Agency, including those awarded pursuant to an intermediate procurement.

(2) **Notice of Competitive Range.** Unless otherwise provided in the RFP, under Rule 137-049-0650, the Contracting Agency shall provide Written notice to all Proposers of the Contracting Agency's determination of the Proposers included in the Competitive Range. The Contracting Agency's notice of the Proposers included in the Competitive Range shall not be final until the later of the following:

- (a) Seven (7) Days after the date of the notice, unless otherwise provided therein; or
- (b) Until the Contracting Agency provides a Written response to all timely-filed protests that denies the protest and affirms the notice of the Proposers included in the Competitive Range.

(3) **Notice of Intent to Award.** The Contracting Agency shall provide Written notice to all Offerors of the Contracting Agency's intent to Award the Contract, as provided in Rule 137-049-0395.

(4) **Right to Protest Award.**

(a) To protest an Award, an adversely affected or aggrieved Offeror must submit to the Contracting Agency a Written protest within seven (7) Days after issuance of the notice of intent to Award the Contract, or Award of a Contract, whichever occurs first, unless a different protest period is provided under the Solicitation Document.

(b) The Offeror's protest must be in Writing and must specify the grounds upon which the protest is based.

(c) An Offeror is adversely affected or aggrieved only if the Offeror is eligible for Award of the Contract as the Responsible Bidder submitting the lowest Responsive Bid or the Responsible Proposer submitting the best Responsive Proposal and is next in line for Award, i.e., the protesting Offeror must claim that all lower Bidders or higher-scored Proposers are ineligible for Award:

- (A) Because their Offers were nonresponsive; or
- (B) The Contracting Agency committed a substantial violation of a provision in the Solicitation Document or of an applicable Procurement statute or administrative rule, and the protesting Offeror was unfairly evaluated and would have, but for such substantial violation, been the Responsible Bidder offering the lowest Bid or the Responsible Proposer offering the highest-ranked Proposal.

(d) The Contracting Agency shall not consider a protest submitted after the time period established in this rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest a Contracting Agency's decision not to increase the size of the Competitive Range above the size of the Competitive Range set forth in the RFP.

(5) **Right to Protest Competitive Range.**

(a) An adversely affected or aggrieved Proposer may submit to the Contracting Agency a Written protest of the Contracting Agency's decision to exclude the Proposer from the Competitive Range within seven Days

after issuance of the notice of the Competitive Range, unless a different protest period is provided under the Solicitation Document. (See procedural requirements for the use of RFPs at Rule 137-049-0650.)

(b) The Proposer's protest shall be in Writing and must specify the grounds upon which the protest is based.

(c) A Proposer is adversely affected only if the Proposer is responsible and submitted a Responsive Proposal and is eligible for inclusion in the Competitive Range, i.e., the protesting Proposer must claim it is eligible for inclusion in the Competitive Range if all ineligible higher-scoring Proposers are removed from consideration, and that those ineligible Proposers are ineligible for inclusion in the Competitive Range because:

(A) Their Proposals were not responsive; or

(B) The Contracting Agency committed a substantial violation of a provision in the RFP or of an applicable Procurement statute or administrative rule, and the protesting Proposer was unfairly evaluated and would have, but for such substantial violation, been included in the Competitive Range.

(d) The Contracting Agency shall not consider a protest submitted after the time period established in this rule or such different period as may be provided in the Solicitation Document. A Proposer may not protest a Contracting Agency's decision not to increase the size of the Competitive Range above the size of the Competitive Range set forth in the RFP.

(6) **Authority to Resolve Protests.** The head of the Contracting Agency, or such Person's designee, may settle or resolve a Written protest submitted in accordance with the requirements of this rule.

(7) **Decision.** If a protest is not settled, the head of the Contracting Agency, or such Person's designee, shall promptly issue a Written decision on the protest. Judicial review of this decision will be available if provided by statute.

(8) **Award.** The successful Offeror shall promptly execute the Contract after the Award is final. The Contracting Agency shall execute the Contract only after it has obtained all applicable required documents and approvals.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375, ORS 279C.380, ORS 279C.385 & ORS 279C.460

137-049-0460

Performance and Payment Security; Waiver

(1) **Public Improvement Contracts.** Unless the required performance bond is waived under ORS 279C.380(1)(a), excused in cases of emergency under ORS 279C.380(4), or unless the Contracting Agency's Contract Review Authority exempts a Contract or classes of contracts from the required performance bond and payment bond pursuant to ORS 279C.390, the Contractor shall execute and deliver to the Contracting Agency a performance bond and a payment bond each in a sum equal to the Contract Price for all Public Improvement Contracts. This requirement applies only to Public Improvement Contracts with a value, estimated by the Contracting Agency, of more than \$100,000 or, in the case of Contracts for highways, bridges and other transportation projects, more than \$50,000. See ORS 279C.380(5). Under ORS 279C.390(3)(b) the Director of the Oregon Department of Transportation may reduce the performance bond amount for contracts financed from the proceeds of bonds issued under ORS 367.620(3)(a). Also see Rule 137-049-0815 and BOLI rules at OAR 839-025-0015 regarding the separate requirement for a Public Works bond.

(2) **Other Construction Contracts.** A Contracting Agency may require performance security for other construction Contracts that are not Public Improvement Contracts. Such requirements shall be expressly set forth in the Solicitation Document.

(3) **Requirement for Surety Bond.** The Contracting Agency shall accept only a performance bond furnished by a surety company authorized to do business in Oregon unless otherwise specified in the Solicitation Document (i.e., the Contracting Agency may accept a cashier's check or certified check in lieu or all or a portion of the required performance bond if specified in the Solicitation Document). The payment bond must be furnished by a surety company authorized to do business in Oregon, and in an amount equal to the full Contract Price.

(4) **Time for Submission.** The apparent successful Offeror must promptly furnish the required performance security upon the Contracting Agency's request. If the Offeror fails to furnish the performance security as requested, the Contracting Agency may reject the Offer and Award the Contract to the Responsible Bidder with the next lowest Responsive Bid or the Responsible Proposer with the next highest-scoring Responsive Proposal, and, at the Contracting Agency's discretion, the Offeror shall forfeit its Bid or Proposal security.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.375, ORS 279C.380 & ORS 279C.390

137-049-0470

Substitute Contractor

If the Contractor provided a performance bond, the Contracting Agency, in its sole discretion, may afford the Contractor's surety the opportunity to provide a substitute contractor to complete performance of the Contract. A substitute contractor shall perform all remaining Contract Work and comply with all terms and conditions of the Contract, including the provisions of the performance bond and the payment bond. Such substitute performance does not involve the Award of a new Contract and shall not be subject to the competitive Procurement provisions of ORS Chapter 279C.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.365, ORS 279C.370, ORS 279C.375, ORS 279C.380 & ORS 279C.390

137-049-0490

Foreign Contractor

If the Contract Price exceeds \$10,000 and the Contractor is a Foreign Contractor, the Contractor shall promptly report to the Oregon Department of Revenue on forms provided by the Department of Revenue, the Contract Price, terms of payment, Contract duration and such other information as the Department of Revenue may require before final payment can be made on the Contract. A copy of the report shall be forwarded to the Contracting Agency. The Contracting Agency Awarding the Contract shall satisfy itself that the above requirements have been complied with before it issues final payment on the Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.120

ALTERNATIVE CONTRACTING METHODS

137-049-0600

Purpose

Rules 137-049-0600 to 137-049-0690 are intended to provide guidance to Contracting Agencies regarding the use of Alternative Contracting Methods for Public Improvement Contracts, as may be directed by a Contracting Agency's Contract Review Authority under ORS 279C.335. Alternative Contracting Methods include, but are not limited to, Design-Build, Energy Savings Performance Contract (ESPC) and Construction Manager/General Contractor (CM/GC) forms of contracting. To the extent any such Alternative Contracting Methods (with the exception of CM/GC) are utilized within the competitive bidding process set forth at ORS 279C.335(1), Rules 137-049-0600 to 137-049-0690 are advisory only and need not be followed.

Stat. Auth.: ORS 279C.335, ORS 279A.065 & ORS 351.086

Stats. Implemented: ORS 279C.335, ORS 279C.337, ORS 279A.065 & ORS 351.086

137-049-0610

Definitions for Alternative Contracting Methods

The following definitions shall apply to these 137-049-0600 to 137-049-0690 rules, unless the context requires otherwise:

- (1) "**Alternative Contracting Methods**" means innovative Procurement techniques for procuring or performing Public Improvement Contracts, utilizing processes other than the traditional method of Design-Bid-Build (with Award based solely on price, in which a final design is issued with formal Bid documents, construction services are obtained by sealed Bid Awarded to the lowest Responsive, Responsible Bidder, and the project is built in accordance with those documents). In industry practice, such methods commonly include variations of Design-Build contracting *and* CM/GC forms of contracting, which are specifically addressed in these 137-049-0600 to 137-049-0690 rules, as well as other developing techniques such as general "performance contracting" and "cost plus time" contracting (as more particularly described in ORS 279C.332(3)(b)(D)(iii)(I)) and "qualifications plus project approach" contracting (as more particularly described in ORS 279C.332(3)(b)(D)(iii)(II)). Procedural requirements are identified under these 137-049-0600 to 137-049-0690 rules, when a Contracting Agency uses an Alternative Contracting Method in a procurement that requires an exemption from competitive bidding under ORS 279C.335(2) or in an ESPC procurement that is excepted from competitive bidding under ORS 279.335(1).
- (2) "**Construction Manager/General Contractor (or "CM/GC")**" has the meaning set forth in ORS 279C.332(2).

(3) **“Construction Manager/General Contractor Method (or “CM/GC Method)”** means the Alternative Method which involves a Contracting Agency’s selection of a CM/GC to perform CM/GC Services for a project or projects.

(4) **“Construction Manager/General Contractor Services (or CM/GC Services)”** has the meaning set forth in ORS 279C.332(3).

(5) **“Design-Build”** means a form of Procurement that results in a Public Improvement Contract in which the construction Contractor also provides or obtains specified design services, participates on the project team with the Contracting Agency, and manages both design and construction. In this form of Contract, a single Person provides the Contracting Agency with all of the Personal Services and construction Work necessary to both design and construct the project.

(6) **“Guaranteed Maximum Price (or “GMP)”** has the meaning set forth in ORS 279C.332(4), pertaining to procurements for CM/GC Services. For Alternative Contracting Methods other than the CM/GC Method, “Guaranteed Maximum Price” (or “GMP”) means the total maximum price provided to the Contracting Agency by the Contractor and accepted by the Contracting Agency that includes all reimbursable costs and fees for completion of the Contract Work and any particularly identified contingency amounts, as defined by the Public Improvement Contract.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.332, ORS 279C.335 & ORS 279A.065

137-049-0620

Use of Alternative Contracting Methods

(1) **Competitive Bidding Exemptions.** ORS Chapter 279C requires a competitive bidding process for Public Improvement Contracts unless a statutory exception applies, a class of Contracts has been exempted or an individual Contract has been exempted in accordance with ORS 279C.335 and any applicable Contracting Agency rules. Use of Alternative Contracting Methods may be directed by a Contracting Agency’s Contract Review Authority as an exception to the prescribed Public Contracting practices in Oregon, and their use must be justified in accordance with the Code and these 137-049-0600 to 137-049-0690 rules. See Rule 137-049-0630 regarding required Findings and restrictions on class exemptions. Contracting Agency’s Contract Review Authority has duly adopted class exemptions for the use of Requests for Proposals (RFP) and ESPC forms of contracting and authorized Contracting Agency to approve use of these alternative solicitation and contracting methods in accordance with Rules 137-049-0600 to 137-049-0690, as applicable.

(2) **Post-Project Evaluation.** Per ORS 279C.355 the Contracting Agency shall prepare a formal post-project evaluation of Public Improvement projects in excess of \$100,000 for which the competitive bidding process was not used. The purpose of this evaluation is to determine whether it was actually in the Contracting Agency’s best interest to use an Alternative Contracting Method. The evaluation must be delivered to the Contracting Agency’s Contract Review Authority within 30 Days of the date the Contracting Agency “accepts” the Public Improvement project, as defined in the Contract. In the absence of such definition, acceptance of the Project occurs on the later of the date of final payment or the date of final completion of the Work. The evaluation shall address:

(a) Financial information, consisting of cost estimates, any Guaranteed Maximum Price, changes and actual costs;

(b) A narrative description of successes and failures during design, engineering and construction; and

(c) An objective assessment of the use of the Alternative Contracting Method as compared to the exemption Findings.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.355 & ORS 351.086

137-049-0630

Findings, Notice and Hearing

(1) **“Cost Savings” and Other Substantial Benefits Factors.** When Findings are required under ORS 279C.335(2)(b) to exempt a Contract or class of Contracts from the competitive bidding requirements, the “substantial cost savings and other substantial benefits” criterion at 279C.335(2)(b) requires consideration of the type, cost and amount of the Contract and, to the extent applicable, the other factors set forth in 279C.335(2)(b). If a particular factor has no application whatsoever to the particular Public Improvement Contract or class of Public Improvement Contracts, the local contract review board need not consider nor address that factor.

(2) **Required Information.** The statutory definition of “Findings” at ORS 279C.330(2), which applies to exemptions from competitive bidding under ORS 279C.335, means the justification for a Contracting

Agency's conclusion regarding the factors listed in both ORS 279C.335(2)(a) and either 279C.335(2)(b) or 279C.335(2)(c).

(3) **Addressing Cost Savings.** Accordingly, when the Contract or class of Contracts under consideration for an exemption contemplates the use of Alternative Contracting Methods, the "substantial cost savings and other substantial benefits" requirement may be addressed by a combination of:

(a) Specified Findings that address the factors and other information specifically identified by statute, including, but not limited to, an analysis or reasonable forecast of present and future cost savings and other substantial benefits; and

(b) Additional Findings that address industry practices, surveys, trends, past experiences, evaluations of completed projects required by ORS 279C.355 and related information regarding the expected benefits and drawbacks of particular Alternative Contracting Methods. To the extent practicable, such Findings shall relate back to the specific characteristics of the project or projects at issue in the exemption request.

(c) As an alternative to the "substantial cost savings and other substantial benefits" requirement in ORS 279C.335(2)(b), if an Alternative Contracting Method has not been previously used, Contracting Agency may make a Finding that identifies the project as a "pilot project" under ORS 279C.335(2)(c).

(4) **Favoritism and Competition.** The criteria at ORS 279C.335(2)(a) that the exemption "is unlikely to encourage favoritism" or "substantially diminish competition" may be addressed for Alternative Contracting Methods by specifying: (a) the manner in which an RFP process will be utilized; (b) that the Procurement will be formally advertised with public notice and disclosure of the planned Alternative Contracting Method; (c) that competition will be encouraged; and (d) that Award will be made based upon identified selection criteria and an opportunity to protest that Award provided.

(5) **Class Exemptions.** In making the findings supporting a class exemption the Contracting Agency shall clearly identify the "class" with respect to its defining characteristics, pursuant to the requirements of ORS 279.335(3). Those characteristics shall include some combination of Project descriptions or locations, time periods, contract values, method of procurement, or other factors that distinguish the limited and related class of Projects from a Contracting Agency's overall construction program. The Contracting Agency may not identify a class solely by funding source, such as a particular bond fund, or by the method of procurement, but shall identify the class using characteristics that reasonably relate to the exemption criteria of ORS 279C.335(2).

(6) **Public Hearing.** Before final adoption of Findings exempting a Public Improvement Contract or class of Contracts from the requirement of competitive bidding, a Contracting Agency shall give notice and may hold a public hearing as required by ORS 279C.335(5). The hearing shall be for the purpose of receiving public comment on the Contracting Agency's draft Findings.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335 & ORS 279A.065

137-049-0640

General Alternative Contracting Procedures

(1) **Proposal Evaluation.** Factors in addition to price may be considered in the selection process, but only as set forth in the RFP. Proposal evaluation shall be as objective as possible. Evaluation factors need not be precise predictors of future costs and performance, but to the extent possible such evaluation factors shall:

(a) Be reasonable estimates based on information available to the Contracting Agency;

(b) Treat all Proposals equitably; and

(c) Recognize that public policy requires that Public Improvements be constructed at the least overall cost to the Contracting Agency. See ORS 279C.305.

(2) Evaluation Factors.

(a) In basic negotiated construction contracting, where the only reason for an RFP is to consider factors other than price, those factors may consist of firm and personnel experience on similar projects, adequacy of equipment and physical plant, sources of supply, availability of key personnel, financial capacity, past performance, safety records, project understanding, proposed methods of construction, proposed milestone dates, references, service, and related matters that affect cost or quality.

(b) In CM/GC contracting, in addition to (a) above, those factors may also include any factors required by ORS 279C.337 and OAR 137-049-0690.

(c) In Design-Build contracting, in addition to (a) and (b) above, those factors may also include design professional qualifications, specialized experience, preliminary design submittals, technical merit, design-builder team experience and related matters that affect cost or quality.

(3) **Contract Negotiations.** Contract terms may be negotiated to the extent allowed by the RFP and Rules 137-049-0600 to 137-049-0690, provided that the general Work scope remains the same and that the field of competition does not change as a result of material changes to the requirements stated in the Solicitation Document. See Rule 137-049-0650. Terms that may be negotiated consist of details of Contract

performance, methods of construction, timing, assignment of risk in specified areas, fee, and other matters that could affect the cost or quality of the Work. For the CM/GC Method, terms that may be negotiated also include the specific scope of pre-construction services, the GC Work, any Early Work and other construction Work to be performed by the CM/GC, and any other terms that the Contracting Agency has identified as being subject to negotiation, consistent with the requirements of OAR 137-049-0690. In ESPC contracting, terms that may be negotiated also include the scope of preliminary design of ECMs to be evaluated by the parties during the Technical Energy Audit phase of the Work, the scope of Personal Services and Work to be performed by the ESCO during the Project Development Plan phase of the Work, the detailed provisions of the Energy Savings Guarantee to be provided by the ESCO and scope of Work, methodologies and compensation terms and conditions during the design and construction phase and M & V phase of the Work, consistent with the requirements of Rule 137-049-0680.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065 & ORS 351.086

137-049-0650

Requests for Proposals (RFP)

(1) Generally.

(a) Contracting Agency may utilize the following RFP process for public improvement contracts to allow flexibility in both proposal evaluation and contract negotiation, subject to ORS 279C.400 to 279C.410, Rules 137-049-0200 to 137-049-0480, and 137-049-0640 to 137-049-0660, unless other applicable statutes or rules control a Contracting Agency's use of competitive proposals for public improvement contracts.

(b) Contracting Agency may issue a request for information, a request for interest, a request for qualifications or other preliminary documents to obtain information useful in the preparation or distribution of a Request for Proposals. ORS 279C.410(9).

(2) **Solicitation Documents.** In addition to the Solicitation Document requirements of Rule 137-049-0200, Public Improvement Contract Requests for Proposals shall include:

(a) Whether Contracting Agency reserves the right to Award to and Contract with more than one Proposer.

(b) All evaluation factors that will be considered by the Contracting Agency when evaluating the proposals, including the relative importance of price and any other evaluation factors. Evaluation factors may include, but are not limited to, such considerations as price or cost, quality of a product or service, past performance, management, capability, personnel qualification, prior experience, compatibility, reliability, operating efficiency, expansion potential, experience of key personnel, adequacy of equipment or physical plant, financial wherewithal, sources of supply, references and warranty provisions.

(c) The method of contractor selection, which may include, but is not limited to, Award without negotiation, negotiation with the highest ranked Proposer, competitive negotiations, multiple-tiered competition designed to either identify a class of Proposers that fall within a competitive range or to otherwise eliminate from consideration a class of lower ranked Proposers, or any combination of these methods;

(d) All required contractual terms and conditions. The Request for Proposals also may: (i) identify those contractual terms or conditions that Contracting Agency reserves, in the Request for Proposals, for negotiation with Proposers; (ii) request that Proposers propose contractual terms and conditions that relate to subject matter reasonably identified in the Request for Proposals; and (iii) contain or incorporate the form and content of the contract that the Contracting Agency will accept, or suggested contract terms and conditions that nevertheless may be the subject of negotiations with Proposers.

(3) Evaluation of Proposals.

(a) Evaluation. The Contracting Agency shall evaluate Proposals only in accordance with criteria set forth in the RFP and applicable law. The Contracting Agency shall evaluate Proposals to determine the Responsible Proposer or Proposers submitting the best Responsive Proposal or Proposals.

(A) Clarifications. In evaluating Proposals, a Contracting Agency may seek information from a Proposer to clarify the Proposer's Proposal. A Proposer must submit Written and Signed clarifications and such clarifications shall become part of the Proposer's Proposal.

(B) Limited Negotiation. If the Contracting Agency did not permit negotiation in its Request for Proposals, the Contracting Agency may, nonetheless, negotiate with the highest-ranked Proposer, but may then only negotiate the:

(i) Statement of Work; and

(ii) Contract Price as it is affected by negotiating the statement of Work.

(iii) The process outlined in subsections (5)(b) and (6) of this rule do not apply to this limited negotiation.

(b) Discussions; Negotiations. The Contracting Agency shall evaluate Proposals and, if applicable, establish the Competitive Range, before conducting discussions or negotiations in accordance with this rule.

(A) If the Solicitation Document provided that discussions or negotiations may occur at Contracting Agency's discretion, the Contracting Agency may forego discussions and negotiations and evaluate all Proposals in accordance with this rule.

(B) If the Contracting Agency proceeds with discussions or negotiations, the Contracting Agency may establish a negotiation committee which may include members with legal, technical or negotiating expertise.
(c) Cancellation/Rejection. Cancellation of the Solicitation or rejection of proposals shall be in accordance with ORS 279C.395.

(4) Competitive Range; Protest; Award.

(a) Determining Competitive Range.

(A) If the Contracting Agency does not cancel the Solicitation, after the Opening the Contracting Agency will evaluate all Proposals in accordance with the evaluation criteria set forth in the Request for Proposals and rank the Proposers in the Competitive Range.

(B) The Contracting Agency may increase the number of Proposers in the Competitive Range if the Contracting Agency's evaluation of Proposals establishes a natural break in the scores of Proposers indicating that a number of Proposers greater than the initial Competitive Range are closely competitive, or have a reasonable chance of being determined the best Proposer after the Contracting Agency's evaluation of revised Proposals submitted in accordance with the process described in this rule.

(b) Notice/Protests. Notice of Competitive Range and Award, and associated protest rights will be as established in Rule 137-049-0450.

(c) After the protest period provided in accordance with Rule 137-049-0450 expires, or after the Contracting Agency has provided a final response to any protest, whichever date is later, the Contracting Agency may commence final Contract negotiations with the highest-ranked Proposer in the Competitive Range; or engage in discussions with Proposers in the Competitive Range and accept revised Proposals from them, and, following such discussions and receipt and evaluation of revised Proposals, conduct negotiations with the Proposers in the Competitive Range.

(5) **Discussions; Revised Proposals**. If the Contracting Agency chooses to enter into discussions with and receive revised Proposals from the Proposers in the Competitive Range, the Contracting Agency shall proceed as follows:

(a) Initiating Discussions. The Contracting Agency shall initiate oral or Written discussions with all of the Proposers in the Competitive Range regarding their Proposals with respect to the provisions of the RFP that the Contracting Agency identified in the RFP as the subject of discussions. The Contracting Agency may conduct discussions for the following purposes:

(A) Informing Proposers of deficiencies in their initial Proposals;

(B) Notifying Proposers of parts of their Proposals for which the Contracting Agency would like additional information; and

(C) Otherwise allowing Proposers to develop revised Proposals that will allow the Contracting Agency to obtain the best Proposal based on the requirements and evaluation criteria set forth in the Request for Proposals.

(b) Conducting Discussions. The Contracting Agency may conduct discussions with each Proposer in the Competitive Range necessary to fulfill the purposes of this section, but need not conduct the same amount of discussions with each Proposer. The Contracting Agency may terminate discussions with any Proposer in the Competitive Range at any time. However, the Contracting Agency shall offer all Proposers in the Competitive Range the opportunity to discuss their Proposals with Contracting Agency before the Contracting Agency notifies Proposers of the date and time pursuant to this section that revised Proposals will be due.

(A) In conducting discussions, the Contracting Agency:

(i) Shall treat all Proposers fairly and shall not favor any Proposer over another;

(ii) Shall not discuss other Proposers' Proposals;

(iii) Shall not suggest specific revisions that a Proposer should make to its Proposal, and shall not otherwise direct the Proposer to make any specific revisions to its Proposal.

(B) At any time during the time allowed for discussions, the Contracting Agency may:

(i) Continue discussions with a particular Proposer;

(ii) Terminate discussions with a particular Proposer and continue discussions with other Proposers in the Competitive Range; or

(iii) Conclude discussions with all remaining Proposers in the Competitive Range and provide notice to the Proposers in the Competitive Range to submit revised Proposals.

(c) Revised Proposals. If the Contracting Agency does not cancel the Solicitation at the conclusion of the Contracting Agency's discussions with all remaining Proposers in the Competitive Range, the Contracting Agency shall give all remaining Proposers in the Competitive Range notice of the date and time by which they must submit revised Proposals. This notice constitutes the Contracting Agency's termination of discussions, and Proposers must submit revised Proposals by the date and time set forth in the Contracting Agency's notice.

(A) Upon receipt of the revised Proposals, the Contracting Agency shall score the revised Proposals based upon the evaluation criteria set forth in the Request for Proposals, and rank the revised Proposals based on the Contracting Agency's scoring.

(B) The Contracting Agency may conduct discussions with and accept only one revised Proposal from each Proposer in the Competitive Range unless otherwise set forth in the Request for Proposals.

(d) Intent to Award; Protest. Written notice of intent to Award and associated protest rights are as established in Rule 137-049-0450. After the protest period expires, or after the Contracting Agency has provided a final response to any protest, whichever date is later, the Contracting Agency may commence final Contract negotiations.

(6) Negotiations.

(a) Initiating Negotiations. The Contracting Agency may determine to commence negotiations with the highest-ranked Proposer in the Competitive Range following the:

(A) Initial determination of the Competitive Range; or

(B) Conclusion of discussions with all Proposers in the Competitive Range and evaluation of revised Proposals.

(b) Conducting Negotiations.

(A) Scope. The Contracting Agency may negotiate:

(i) The statement of Work;

(ii) The Contract Price as it is affected by negotiating the statement of Work; and

(iii) Any other terms and conditions reasonably related to those authorized for negotiation in the Request for Proposals.

(c) Terminating Negotiations. The Contracting Agency may terminate negotiations with any Proposer at any time, if the Contracting Agency reasonably believes that:

(A) The Proposer is not discussing or negotiating in good faith; or

(B) Further discussions or negotiations with the Proposer will not result in the parties agreeing to the terms and conditions of a final Contract in a timely manner.

(d) Continuing Negotiations. If the Contracting Agency terminates negotiations with a Proposer, the Contracting Agency may then commence negotiations with the next highest scoring Proposer in the Competitive Range, and continue the process described in this rule until the Contracting Agency has either:

(A) Determined to Award the Contract to the Proposer with whom it is currently negotiating; or

(B) Completed at least one round of negotiations with all Proposers in the Competitive Range.

(7) **Post Project Evaluation.** For projects over \$100,000, Contracting Agency shall complete a post project evaluation in compliance with ORS 279C.355 and Rule 137-049-0620(3).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.400 to ORS 279C.410

137-049-0660

RFP Pricing Mechanisms

(1) A Request for Proposals may result in a lump sum Contract Price, as in the case of competitive bidding. Alternatively, a cost reimbursement Contract with a GMP or some other maximum price specified in the Contract may be negotiated.

(2) Economic incentives or disincentives may be included to reflect stated Contracting Agency purposes related to time of completion, safety or other Public Contracting objectives, including total least cost mechanisms such as life cycle costing.

(3) A Guaranteed Maximum Price (GMP) *may be* used as the pricing mechanism for CM/GC where a total Contract Price is provided in the design phase in order to assist the Contracting Agency in determining whether the project scope is within the Contracting Agency's budget, and allowing for design changes during preliminary design rather than after final design Work has been completed.

(a) If this collaborative process is successful, the Contractor shall propose a final GMP, which may be accepted by the Contracting Agency and included within the Contract.

(b) If this collaborative process is not successful, and no mutually agreeable resolution on GMP can be achieved with the Contractor, then the Contracting Agency shall terminate the Contract. The public Contracting Agency may then proceed to negotiate a new Contract (and GMP) with the firm that was next ranked in the original selection process, or employ other means for continuing the project under ORS Chapter 279C.

(4) When cost reimbursement Contracts are utilized, regardless of whether a GMP is included, the Contracting Agency shall provide for audit controls that will effectively verify rates and ensure that costs are reasonable, allowable and properly allocated.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.335

137-049-0670

Design-Build Contracts

(1) **General.** The Design-Build form of contracting, as defined in Rule 137-049-0610(3), has technical complexities that are not readily apparent. Contracting Agencies shall use this contracting method only with the assistance of knowledgeable staff or consultants who are experienced in its use. In order to use the Design-Build process, the Contracting Agency must be able to reasonably anticipate the following types of benefits:

- (a) Obtaining, through a Design-Build team, engineering design, plan preparation, value engineering, construction engineering, construction, quality control and required documentation as a fully integrated function with a single point of responsibility;
- (b) Integrating value engineering suggestions into the design phase, as the construction Contractor joins the project team early with design responsibilities under a team approach, with the potential of reducing Contract changes;
- (c) Reducing the risk of design flaws, misunderstandings and conflicts inherent in construction Contractors building from designs in which they have had no opportunity for input, with the potential of reducing Contract claims;
- (d) Shortening project time as construction activity (early submittals, mobilization, subcontracting and advance Work) commences prior to completion of a "Biddable" design, or where a design solution is still required (as in complex or phased projects); or
- (e) Obtaining innovative design solutions through the collaboration of the Contractor and design team, which would not otherwise be possible if the Contractor had not yet been selected.

(2) **Authority.** Contracting Agencies shall utilize the Design-Build form of contracting only in accordance with the requirements of these 137-049-0600 to 137-049-0690 rules. See particularly Rule 137-049-0620 on "Use of Alternative Contracting Methods" and Rule 137-049-0680 pertaining to ESPCs.

(3) **Selection.** Design-Build selection criteria may include those factors set forth above in Rule 137-049-0640(2)(a), (b) and (c).

(4) **QBS Inapplicable.** Because the value of construction services predominates the Design-Build form of contracting, the qualifications based selection (QBS) process mandated by ORS 279C.110 for State Contracting Agencies in obtaining certain consultant services is not applicable.

(5) **Licensing.** If a Design-Build Contractor is not an Oregon licensed design professional, the Contracting Agency shall require that the Design-Build Contractor disclose in its Written Offer that it is not an Oregon licensed design professional, and identify the Oregon licensed design professional(s) who will provide design services. See ORS 671.030(5) regarding the offer of architectural services, and ORS 672.060(11) regarding the offer of engineering services that are appurtenant to construction services.

(6) **Performance Security.** ORS 279C.380(1)(a) provides that for Design-Build Contracts the surety's obligation on performance bonds, or the Bidder's obligation on cashier's or certified checks accepted in lieu thereof, includes the preparation and completion of design and related professional services specified in the Contract. This additional obligation, beyond performance of construction services, extends only to the provision of professional services and related design revisions, corrective Work and associated costs prior to final completion of the Contract (or for such longer time as may be defined in the Contract). The obligation is not intended to be a substitute for professional liability insurance, and does not include errors and omissions or latent defects coverage.

(7) **Contract Requirements.** Contracting Agencies shall conform their Design-Build contracting practices to the following requirements:

- (a) **Design Services.** The level or type of design services required must be clearly defined within the Procurement documents and Contract, along with a description of the level or type of design services previously performed for the project. The services to be performed shall be clearly delineated as either design Specifications or performance standards, and performance measurements must be identified.
- (b) **Professional Liability.** The Contract shall clearly identify the liability of design professionals with respect to the Design-Build Contractor and the Contracting Agency, as well as requirements for professional liability insurance.
- (c) **Risk Allocation.** The Contract shall clearly identify the extent to which the Contracting Agency requires an express indemnification from the Design-Build Contractor for any failure to perform, including professional errors and omissions, design warranties, construction operations and faulty Work claims.
- (d) **Warranties.** The Contract shall clearly identify any express warranties made to the Contracting Agency regarding characteristics or capabilities of the completed project (regardless of whether errors occur as the result of improper design, construction, or both), including any warranty that a design will be produced that meets the stated project performance and budget guidelines.
- (e) **Incentives.** The Contract shall clearly identify any economic incentives and disincentives, the specific criteria that apply and their relationship to other financial elements of the Contract.

(f) Honoraria. If allowed by the RFP, honoraria or stipends may be provided for early design submittals from qualified finalists during the Solicitation process on the basis that the Contracting Agency is benefited from such deliverables.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.110 & ORS 351.086

137-049-0680

Energy Savings Performance Contracts (ESPC)

(1) **Generally**. These 137-049-0600 to 137-049-0690 rules include a limited, efficient method for Contracting Agency to enter into ESPCs outside the competitive bidding requirements of ORS 279C.334. See ORS 279C.335(1)(f). If a Contracting Agency chooses not to utilize the ESPC Procurement method provided for by these 137-049-0600 to 137-049-0690 rules, the Contracting Agency may still enter into an ESPC by complying with the competitive bidding exemption process set forth in ORS 279C.335, or by otherwise complying with the Procurement requirements applicable to any Contracting Agency not subject to all the requirements of ORS 279C.335.

(2) **ESPC Contracting Method**. The ESPC form of contracting, as defined at Rule 137-049-0610(6), has unique technical complexities associated with the determination of what ECMs are feasible for the Contracting Agency, as well as the additional technical complexities associated with a Design-Build Contract. Contracting Agencies shall only utilize the ESPC contracting method with the assistance of knowledgeable staff or consultants who are experienced in its use. In order to utilize the ESPC contracting process, the Contracting Agency must be able to reasonably anticipate one or more of the following types of benefits:

(a) Obtaining, through an ESCO, the following types of integrated Personal Services and Work: facility profiling, energy baseline studies, ECMs. Technical Energy Audits, project development planning, engineering design, plan preparation, cost estimating, life cycle costing, construction administration, project management, construction, quality control, operations and maintenance staff training, commissioning services, Measurement and Verification (M & V) services and required documentation as a fully integrated function with a single point of responsibility;

(b) Obtaining through an ESCO, an Energy Savings Guarantee;

(c) Integrating the Technical Energy Audit phase and Project Development Plan phase into the design and construction phase of Work on the project;

(d) Reducing the risk of design flaws, misunderstandings and conflicts inherent in the construction process, through the integration of ESPC Personal Services and Work;

(e) Obtaining innovative design solutions through the collaboration of the members of the ESCO integrated ESPC team;

(f) Integrating cost-effective Energy Conservation Measures (ECMs) into an existing building or structure, so that the ECMs pay for themselves through savings realized over the useful life of the ECMs;

(g) preliminary design, development, implementation and an Energy Savings Guarantee of ECMs into an existing building or structure that is being performed under a separate remodeling Contract; and

(h) Satisfying local energy efficiency design criteria or requirements.

(3) **Authority**. Contracting Agency may utilize the ESPC form of contracting only in accordance with the requirements of these 137-049-0600 to 137-049-0690 rules.

(4) **No Findings Required**. A Contracting Agency is only required to comply with the ESPC contracting procedures set forth in these 137-049-0600 to 137-049-0690 rules in order for the ESPC to be exempt from the competitive bidding process of ORS 279C.335. No Findings are required for an ESPC to be exempt from the competitive bidding process for Public Improvement Contracts pursuant to ORS 279C.335, unless the Contracting Agency is subject to the requirements of ORS 279C.335 and chooses not to comply with the ESPC contracting procedures set forth in 137-049-0600 to 137-049-0690 of these rules.

(5) **Selection**. ESPC contracts may be directly awarded or solicited via an informal or formal RFP process. ESPC selection criteria may include those factors set forth above in Rule 137-049-0640(2)(a), (b), and (c). Since the Energy Savings Guarantee is such a fundamental component in the ESPC contracting process, prior to award, potential awardees must identify any Person providing (directly or indirectly) any Energy Savings Guarantee that may be offered by the successful ESCO during the course of the performance of the ESPC, along with any financial statements and related information pertaining to any such Person.

(6) **QBS Inapplicable**. Because the value of construction Work predominates in the ESPC method of contracting, the qualifications based selection (QBS) process mandated by ORS 279C.110 for State Contracting Agencies in obtaining certain consultant services is not applicable.

(7) **Licensing**. If the ESCO is not an Oregon licensed design professional, the Contracting Agency shall require that the ESCO disclose in the ESPC that it is not an Oregon licensed design professional, and identify the Oregon licensed design professional(s) who will provide design services. See ORS 671.030(5)

regarding the offer of architectural services, and ORS 672.060(11) regarding the offer of engineering services that are appurtenant to construction Work.

(8) **Performance Security.** At the point in the ESPC when the parties enter into a binding Contract that constitutes a Design-Build Contract, the ESCO must provide a performance bond and a payment bond, each for 100% of the full Contract Price, including the construction Work and design and related Personal Services specified in the ESPC Design-Build Contract, pursuant to ORS 279C.380(1)(a). For ESPC Design-Build Contracts, these “design and related services” include conventional design services, commissioning services, training services for the Contracting Agency’s operations and maintenance staff, and any similar Personal Services provided by the ESCO’s Energy Savings Guarantee are not included in these 279C.380(1)(a) “design and related services.” Nevertheless, a Contracting Agency may require that the ESCO provide performance security for M & V services and any Personal Services or Work associated with the ESCO’s Energy Savings Guarantee, if the Contracting Agency so provides in the RFP.

(9) **Contracting Requirements.** Contracting Agencies shall conform their ESPC contracting practices to the following requirements:

(a) **General ESPC Contracting Practices.** An ESPC involves a multi-phase project, which includes the following contractual elements:

(A) A contractual structure which includes general Contract terms describing the relationship of the parties, the various phases of the Work, the contractual terms governing the Technical Energy Audit for the project, the contractual terms governing the final design and construction of the project, the contractual terms governing the performance of the M & V services for the project, and the detailed provisions of the ESCO’s Energy Savings Guarantee for the project.

(B) The various phases of the ESCO’s Work will include the following:

(i) The Technical Energy Audit phase of the Work;

(ii) The Project Development Plan phase of the Work;

(iii) A third phase of the Work that constitutes a Design-Build Contract, during which the ESCO completes any plans and Specifications required to implement the ECMs that have been agreed to by the parties to the ESPC, and the ESCO performs all construction, commissioning, construction administration and related Personal Services or Work to actually construct the project; and

(iv) A final phase of the Work, whereby the ESCO, independently or in cooperation with an independent consultant hired by the Contracting Agency, performs M & V services to ensure that the Energy Savings Guarantee identified by the ESCO in the earlier phases of the Work and agreed to by the parties has actually been achieved.

(b) **Design-Build Contracting Requirements in ESPCs.** At the point in the ESPC when the parties enter into a binding Contract that constitutes a Design-Build Contract, the Contracting Agency shall conform its Design-Build contracting practices to the Design-Build contracting requirements set forth in Rule 137-040-0560(7) above.

(c) **Pricing Alternatives.** The Contracting Agency may utilize one of the following pricing alternatives in an ESPC:

(A) A fixed price for each phase of the Personal Services and Work to be provided by the ESCO;

(B) A cost reimbursement pricing mechanism, which a maximum not-to-exceed price or a GMP; or

(C) A combination of a fixed fee for certain components of the Personal Services to be performed, a cost reimbursement pricing mechanism for the construction Work to be performed with a GMP, a single or annual fixed fee for M & V services to be performed for an identified period after final completion of the construction Work, and a single or annual Energy Savings Guarantee fixed fee payable for an identified time period after final completion of the construction Work that is conditioned on certain energy savings being achieved at the facility by the ECMs that have been implemented by the ESCO during the project (in the event an annual M & V services fee and annual Energy Savings Guarantee fee is utilized by the parties, the parties may provide in the Design-Build Contract that, at the sole option of the Contracting Agency, the ESCO’s M & V services may be terminated prior to the completion of the M & V/Energy Savings Guarantee period and the Contracting Agency’s future obligation to pay the M & V services fee and Energy Savings Guarantee fee will likewise be terminated, under terms agreed to by the parties).

(d) **Permitted ESPC Scope of Work.** The scope of Work under the ESPC is restricted to implementation and installation of ECMs, as well as other Work on building systems or building components that are directly related to the ECMs, and that, as an integrated unit, will pay for themselves over the useful life of the ECMs installed. The permitted scope of Work for ESPCs resulting from a solicitation under these 137-049-0600 to 137-049-0690 rules does not include maintenance services for the project facility.

Stat. Auth.: ORS 279C.335 & ORS 279A.065

Stats. Implemented: ORS 279C.335, ORS 279A.065, ORS 279C.110 & ORS 351.086

137-049-0690

Construction Manager/General Contractor (CM/GC)

Contracting Agency shall use a Construction Manager/General Contractor (CM/GC) form of contracting, as defined in Rule 137-049-0610(3), only in accordance with ORS 279C.337 and OAR 137-049-0690.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 297C.335, ORS 279C.337 & ORS 279C.380(2)

CONTRACT PROVISIONS

137-049-0800

Required Contract Clauses

Contracting Agencies shall include in all formal Solicitations for Public Improvement Contracts all of the ORS Chapter 279C required Contract clauses, as set forth in the checklist contained in Rule 137-049-0200(1)(c) regarding Solicitation Documents. The following series of rules provide further guidance regarding particular Public Contract provisions.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 297C.505 to ORS 279C.545 & ORS 279C.800 to 279C.870

137-049-0810

Waiver of Delay Damages Against Public Policy

Contracting Agencies shall not place any provision in a Public Improvement Contract purporting to waive, release, or extinguish the rights of a Contractor to damages resulting from a Contracting Agency's unreasonable delay in performing the Contract. However, Contract provisions requiring notice of delay, providing for alternative dispute resolution such as arbitration (where allowable) or mediation, providing other procedures for settling contract disputes, or providing for reasonable liquidated damages, are permissible.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.315

137-049-0815

BOLI Public Works Bond

Pursuant to ORS 279C.830(3), the specifications for every Public Works Contract shall contain a provision stating that the Contractor and every subcontractor must have a Public Works bond filed with the Construction Contractors Board before starting Work on the project, unless otherwise exempt. This bond is in addition to performance bond and payment bond requirements. See BOLI rule at OAR 839-025-0015.

Stat. Auth. ORS 279A.065

Stats. Implemented: ORS 279C.830

137-049-0820

Retainage

(1) **Withholding of Retainage.** Except to the extent a Contracting Agency's enabling laws require otherwise, a Contracting Agency shall not retain an amount in excess of five percent of the Contract Price for Work completed. If the Contractor has performed at least 50 percent of the Contract Work and is progressing satisfactorily, upon the Contractor's submission of Written application containing the surety's Written approval, the Contracting Agency may, in its discretion, reduce or eliminate retainage on any remaining progress payments. The Contracting Agency shall respond in Writing to all such applications within a reasonable time. When the Contract Work is 97-1/2 percent completed, the Contracting Agency may, at its discretion and without application by the Contractor, reduce the retained amount to 100 percent of the value of the remaining unperformed Contract Work. A Contracting Agency may at any time reinstate retainage. Retainage shall be included in the final payment of the Contract Price.

(2) **Form of Retainage.** Unless a Contracting Agency that reserves an amount as retainage finds in writing that accepting a bond, security, or other instrument described in part (a) or (b) of this section poses an extraordinary risk that is not typically associated with the bond, security, or instrument, the Contracting Agency, in lieu of withholding moneys from payment, shall accept from the Contractor:

(a) Bonds, securities or other instruments that are deposited and accepted as provided in subsection (4)(a) of this rule; or

(b) A surety bond deposited as provided in subsection (4)(b) of this rule.

(3) **Deposit in interest-bearing accounts.** Either upon election of the Contractor pursuant to ORS 279C.560(5) or as required when the Contract Price exceeds \$500,000 pursuant to ORS 279C.570(2), a Contracting Agency shall deposit cash retainage in an interest-bearing account in a bank, savings bank, trust company, or savings association, or interest-bearing escrow account pursuant to ORS 279C.570(2). Earnings on such an account shall accrue to the Contractor from the date the Contractor's related payment request is fully approved by the Contracting Agency, until the date the retainage is paid to the Contractor. For purposes of this Section, a payment of retainage is deemed to be "paid" by a Contracting Agency when the payment is transmitted to the Contractor or otherwise applied against an obligation of the Contractor under the Contract.

(4) **Alternatives to cash retainage.** In lieu of cash retainage to be held by a Contracting Agency, the Contractor may substitute one of the following:

(a) Deposit of bonds, securities or other instruments:

(A) The Contractor may deposit bonds, securities or other instruments with the Contracting Agency or in any bank or trust company to be held for the benefit of the Contracting Agency. If the Contracting Agency accepts the deposit, the Contracting Agency shall reduce the cash retainage by an amount equal to the value of the bonds and securities, and reimburse the excess to the Contractor.

(B) Bonds, securities or other instruments deposited or acquired in lieu of cash retainage must be of a character approved by the Oregon Department of Administrative Services, which may include, without limitation:

(i) Bills, certificates, notes or bonds of the United States.

(ii) Other obligations of the United States or agencies of the United States.

(iii) Obligations of a corporation wholly owned by the Federal Government.

(iv) Indebtedness of the Federal National Mortgage Association.

(v) General obligation bonds of the State of Oregon or a political subdivision of the State of Oregon.

(vi) Irrevocable letters of credit issued by an insured institution, as defined in ORS 706.008.

(C) Upon the Contracting Agency's determination that all requirements for the protection of the Contracting Agency's interests have been fulfilled, it shall release to the Contractor all bonds and securities deposited in lieu of retainage.

(b) Deposit of surety bond. A Contracting Agency, at its discretion, may allow the Contractor to deposit a surety bond in a form acceptable to the Contracting Agency in lieu of all or a portion of funds retained or to be retained. A Contractor depositing such a bond shall accept surety bonds from its subcontractors and suppliers in lieu of retainage. In such cases, retainage shall be reduced by an amount equal to the value of the bond, and the excess shall be reimbursed.

(5) **Recovery of Costs.** Pursuant to ORS 279C.560(3), a Contracting Agency may reduce the final

payment to recover from the Contractor all additional costs incurred as a result of Contractor's election to:

(i) submit an alternative to cash retainage pursuant to section (4) of this rule; or (ii) to deposit cash retainage in an interest-bearing account pursuant to section (3) of this rule for Contracts not in excess of \$500,000 by reducing the final payment.

(6) **Additional Retainage When Certified Payroll Statements Not Filed.** Pursuant to ORS 279C.845(7), if a Contractor is required to file certified payroll statements and fails to do so, the Contracting Agency shall retain 25 percent of any amount earned by the Contractor on a Public Works Contract until the Contractor has filed such statements with the Contracting Agency. The Contracting Agency shall pay the Contractor the amount retained under this provision within 14 days after the Contractor files the certified statements, regardless of whether a subcontractor has filed such statements (but see ORS 279C.845(1) regarding the requirement for both contractors and subcontractors to file certified statements with the Contracting Agency). See BOLI rule at OAR 839-025-0010.

Stat. Auth.: ORS 279A.065 & ORS 279C.845

Stats. Implemented: ORS 279C.560, ORS 279C.570 & ORS 701.420

137-049-0830

Contractor Progress Payments

(1) **Request for progress payments.** Each month the Contractor shall submit to the Contracting Agency its Written request for a progress payment based upon an estimated percentage of Contract completion. At the Contracting Agency's discretion, this request may also include the value of material to be incorporated in the completed Work that has been delivered to the premises and appropriately stored. The sum of these estimates is referred to as the "value of completed Work." With these estimates as a base, the Contracting Agency will make a progress payment to the Contractor, which shall be equal to: (i) the value of completed Work; (ii) less those amounts that have been previously paid; (iii) less other amounts that may be deductible or owing and due to the Contracting Agency for any cause; and (iv) less the appropriate amount of retainage.

(2) **Progress payments do not mean acceptance of Work.** Progress payments shall not be construed as an acceptance or approval of any part of the Work, and shall not relieve the Contractor of responsibility for defective workmanship or material.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279C.570

137-049-0840

Interest

(1) **Prompt payment policy.** A Contracting Agency shall pay promptly all payments due and owing to the Contractor on Contracts for Public Improvements.

(2) **Interest on progress payments.** Late payment interest shall begin to accrue on payments due and owing on the earlier of 30 Days after receipt of invoice or 15 Days after Contracting Agency approval of payment (the "Progress Payment Due Date"). The interest rate shall equal three times the discount rate on 90-day commercial paper in effect on the Progress Payment Due Date at the Federal Reserve Bank in the Federal Reserve district that includes Oregon, up to a maximum rate of 30 percent.

(3) **Interest on final payment.** Final payment on the Contract Price, including retainage, shall be due and owing no later than 30 Days after Contract completion and acceptance of the Work. Late-payment interest on such final payment shall thereafter accrue at the rate of one and one-half percent per month until paid.

(4) **Settlement or judgment interest.** In the event of a dispute as to compensation due a Contractor for Work performed, upon settlement or judgment in favor of the Contractor, interest on the amount of the settlement or judgment shall be added to, and not made part of, the settlement or judgment. Such interest, at the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon, shall accrue from the later of the Progress Payment Due Date, or thirty Days after the Contractor submitted a claim for payment to the Contracting Agency in Writing or otherwise in accordance with the Contract requirements.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279C.570

137-049-0850

Final Inspection

(1) **Notification of Completion; inspection.** The Contractor shall notify the Contracting Agency in Writing when the Contractor considers the Contract Work completed. Within 15 Days of receiving Contractor's notice, the Contracting Agency will inspect the project and project records, and will either accept the Work or notify the Contractor of remaining Work to be performed.

(2) **Acknowledgment of acceptance.** When the Contracting Agency finds that all Work required under the Contract has been completed satisfactorily, the Contracting Agency shall acknowledge acceptance of the Work in Writing.

Stat. Auth.: ORS 279A.065
Stats. Implemented: ORS 279C.570(8)

137-049-0860

Public Works Contracts

(1) **Generally.** ORS 279C.800 to 279C.870 regulates Public Works Contracts, as defined in 279C.800(6), and requirements for payment of prevailing wage rates. Also see administrative rules of the Bureau of Labor and Industries (BOLI) at OAR Chapter 839.

(2) **Required Contract Conditions.** As detailed in the above statutes and rules, every Public Works Contract must contain the following provisions:

(a) Contracting Agency authority to pay certain unpaid claims and charge such amounts to Contractors, as set forth in ORS 279C.515(1).

(b) Maximum hours of labor and overtime, as set forth in ORS 279C.520(1).

(c) Employer notice to employees of hours and days that employees may be required to work, as set forth in ORS 279C.520(2).

(d) Contractor required payments for certain services related to sickness or injury, as set forth in ORS 279C.530.

(e) A requirement for payment of prevailing rate of wage, as set forth in ORS 279C.830(1). If both state and federal prevailing rates of wage apply, the contract and every subcontract must provide that all workers must be paid the higher of the applicable state or federal prevailing rate of wage.

(f) A requirement for filing a public works bond by contractor and every subcontractor, as set forth in ORS 279C.830(2).

(3) **Requirements for Specifications.** The Specifications for every Public Works Contract, consisting of the procurement package (such as the project manual, Bid or Proposal booklets, request for quotes or similar procurement Specifications), must contain the following provisions:

(a) The state prevailing rate of wage, and, if applicable, the federal prevailing rate of wage, as required by ORS 279C.830(1)(a):

(A) Physically contained within or attached to hard copies of procurement Specifications;

(B) Included by a statement incorporating the applicable wage rate publication into the Specifications by reference, in compliance with OAR 839-025-0020; or,

(C) When the rates are available electronically or by Internet access, the rates may be incorporated into the Specifications by referring to the rates and providing adequate information on how to access them in compliance with OAR 839-025-0020.

(b) If both state and federal prevailing rates of wage apply, a requirement that the contractor shall pay the higher of the applicable state or federal prevailing rate of wage to all workers. See BOLI rules at OAR 839-025-0020 and 0035.

(c) A requirement for filing a public works bond by contractor and every subcontractor, as set forth in ORS 279C.830(2).

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.800 – ORS 279C.870

137-049-0870

Specifications; Brand Name Products

(1) **Generally.** The Contracting Agency's Solicitation Document shall not expressly or implicitly require any product by brand name or mark, nor shall it require the product of any particular manufacturer or seller, except pursuant to an exemption granted under ORS 279C.345(2).

(2) **Equivalents.** A Contracting Agency may identify products by brand names so long as the following language: "approved equal"; "or equal"; "approved equivalent" or "equivalent," or similar language is included in the Solicitation Document. The Contracting Agency shall determine, in its sole discretion, whether an Offeror's alternate product is "equal" or "equivalent."

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.345

137-049-0880

Records Maintenance; Right to Audit Records

(1) **Records Maintenance; Access.** Contractors and subcontractors shall maintain all fiscal records relating to Contracts in accordance with generally accepted accounting principles ("GAAP"). In addition, Contractors and subcontractors shall maintain all other records necessary to clearly document (i) their performance; and (ii) any claims arising from or relating to their performance under a Public Contract. Contractors and subcontractors shall make all records pertaining to their performance and any claims under a Contract (the books, fiscal records and all other records, hereafter referred to as "Records") accessible to the Contracting Agency at reasonable times and places, whether or not litigation has been filed as to such claims.

(2) **Inspection and Audit.** A Contracting Agency may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the Records of any Person that has submitted cost or pricing data according to the terms of a Contract to the extent that the Records relate to such cost or pricing data. If the Person must provide cost or pricing data under a Contract, the Person shall maintain such Records that relate to the cost or pricing data for 3 years from the date of final payment under the Contract, unless a shorter period is otherwise authorized in Writing.

(3) **Records Inspection; Contract Audit.** The Contracting Agency, and its authorized representatives, shall be entitled to inspect, examine, copy, and audit any Contractor's or subcontractor's Records, as provided in section 1 of this rule. The Contractor and subcontractor shall maintain the Records and keep the Records accessible and available at reasonable times and places for a minimum period of 3 years from the date of final payment under the Contract or subcontract, as applicable, or until the conclusion of any audit, controversy or litigation arising out of or related to the Contract, whichever date is later, unless a shorter period is otherwise authorized in Writing.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.030, ORS 279C.375, ORS 279C.380 & ORS 279C.440

137-049-0890

Contracting Agency Payment for Unpaid Labor or Supplies

(1) **Contract incomplete.** If the Contract is still in force, the Contracting Agency may, in accordance with ORS 279C.515(1), pay a valid claim to the Person furnishing the labor or services, and charge the amount against payments due or to become due to the Contractor under the Contract. If a Contracting Agency chooses to make such a payment as provided in ORS 279C.515(1), the Contractor and the Contractor's surety shall not be relieved from liability for unpaid claims.

(2) **Contract completed.** If the Contract has been completed and all funds disbursed to the prime Contractor, all claims shall be referred to the Contractor's surety for resolution. The Contracting Agency shall not make payments to subcontractors or suppliers for Work already paid for by the Contracting Agency.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.515

137-049-0900

Contract Suspension; Termination Procedures

(1) **Suspension of Work.** In the event a Contracting Agency suspends performance of Work for any reason considered by the Contracting Agency to be in the public interest other than a labor dispute, the Contractor shall be entitled to a reasonable extension of Contract time, and to reasonable compensation for all costs, including a reasonable allowance for related overhead, incurred by the Contractor as a result of the suspension.

(2) **Termination of Contract by mutual agreement for reasons other than default.**

(a) Reasons for termination. The parties may agree to terminate the Contract or a divisible portion thereof if:

(A) The Contracting Agency suspends Work under the Contract for any reason considered to be in the public interest (other than a labor dispute, or any judicial proceeding relating to the Work filed to resolve a labor dispute); and

(B) Circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the Work.

(b) Payment. When a Contract, or any divisible portion thereof, is terminated pursuant to this section (2), the Contracting Agency shall pay the Contractor a reasonable amount of compensation for preparatory Work completed, and for costs and expenses arising out of termination. The Contracting Agency shall also pay for all Work completed, based on the Contract Price. Unless the Work completed is subject to unit or itemized pricing under the Contract, payment shall be calculated based on percent of Contract completed. No claim for loss of anticipated profits will be allowed.

(3) **Public interest termination by Contracting Agency.** A Contracting Agency may include in its Contracts terms detailing the circumstances under which the Contractor shall be entitled to compensation as a matter of right in the event the Contracting Agency unilaterally terminates the Contract for any reason considered by the Contracting Agency to be in the public interest.

(4) **Responsibility for completed Work.** Termination of the Contract or a divisible portion thereof pursuant to this rule shall not relieve either the Contractor or its surety of liability for claims arising out of the Work performed.

(5) **Remedies cumulative.** The Contracting Agency may, at its discretion, avail itself of any or all rights or remedies set forth in these rules, in the Contract, or available at law or in equity.

(6) Application of this rule does not apply to suspension of the work or termination of the Contract as a result of Contractor's violation of any provision of law or Contract term.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279C.650, ORS 279C.655, ORS 279C.660, ORS 279C.665 & ORS 279C.670

137-049-0910

Changes to the Work and Contract Amendments

(1) **Definitions for Rule.** As used in this rule:

(a) "**Amendment**" means a Written modification to the terms and conditions of a Public Improvement Contract, other than by Changes to the Work, within the general scope of the original Procurement that requires mutual agreement between the Contracting Agency and the Contractor.

(b) "**Changes to the Work**" means a mutually agreed upon change order, or a construction change directive or other Written order issued by the Contracting Agency or its authorized representatives to the Contractor requiring a change in the Work within the general scope of a Public Improvement Contract and issued under its changes provisions in administering the Contract and, if applicable, adjusting the Contract Price or contract time for the changed work.

(2) **Changes Provisions.** Changes to the Work are anticipated in construction and, accordingly, Contracting Agencies shall include changes provisions in all Public Improvement Contracts that detail the

scope of the changes clause, provide pricing mechanisms, authorize the Contracting Agency or its authorized representatives to issue Changes to the Work and provide a procedure for addressing Contractor claims for additional time or compensation. When Changes to the Work are agreed to or issued consistent with the Contract's changes provisions they are not considered to be new Procurements and an exemption from competitive bidding is not required for their issuance by Contracting Agencies.

(3) **Change Order Authority.** Contracting Agencies may establish internal limitations and delegations for authorizing Changes to the Work, including dollar limitations. Dollar limitations on Changes to the Work are not set by these Rules, but such changes are limited by the above definition of that term.

(4) **Contract Amendments.** Contract Amendments within the general scope of the original Procurement are not considered to be new Procurements and an exemption from competitive bidding is not required in order to add components or phases of Work reasonably related to the work described in the Solicitation Document. Amendments to a Public Improvement Contract may be made only when:

(a) They are within the general scope of the original Procurement;

(b) The field of competition and Contractor selection would not likely have been affected by the Contract modification. Factors to be considered in making that determination include similarities in Work, project site, relative dollar values, differences in risk allocation and whether the original Procurement was accomplished through competitive bidding, competitive Proposals, competitive quotes, sole source or Emergency contract;

(c) In the case of a Contract obtained under an Alternative Contracting Method, any additional Work was specified or reasonably implied within the findings supporting the competitive bidding exemption; and

(d) The Amendment is made consistent with applicable legal requirements.

Stat. Auth.: ORS 279A.065

Stats. Implemented: ORS 279A.065, ORS 279C.335 & ORS 279C.400(1)

PUBLIC CONTRACTING RULES - 2023

CLASS EXEMPTIONS

E-1 Purpose and Statutory Authority

These rules establish classes of public contracts which are exempt from the formal competitive solicitation requirements of the Public Contracting Code. These exemptions may be used by Contracting Agency without additional findings of fact except as otherwise set forth herein. These exemptions are in addition to all contracting exemptions as set forth in the Code and Contracting Agency's Public Contracting Rules, Divisions 46, 47, 48, and 49. Additional contracts or classes of contracts may be expressly exempted from competitive solicitation requirements by ordinance or resolution of Contracting Agency pursuant to Contracting Agency Rules and ORS 279B.085 or 279C.335.

E-2 Advertising Contracts

Contracting Agency may purchase advertising without a competitive process, regardless of dollar value and including that intended for the purpose of giving public or legal notice.

E-3 Equipment Repair and Overhaul

Contracting Agency may enter into a public contract for the purchase of services, equipment or supplies for maintenance, repair or conversion of existing equipment, if required for efficient utilization of such equipment.

E-4 Contracts for Price Regulated Items

Contracting Agency may, regardless of dollar value 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.

E-5 Copyrighted Materials

Contracting Agency may, without competitive bidding and regardless of dollar amount, purchase copyrighted materials if there is only one supplier available within a reasonable purchase area for such goods. Examples of copyrighted materials covered by this exemption may include, but are not necessarily limited to, new books, periodicals, workbooks, curriculum materials, reference materials, audio and visual media, and non-mass-marketed software.

E-6 Investment Contracts

Contracting Agency may, without competitive bidding, and regardless of dollar amount, contract for the purpose of the investment of public funds or the borrowing of funds by Contracting Agency when such investment or borrowing is contracted pursuant to duly enacted statute, ordinance, charter, or Constitution.

E-7 Requirements Contracts

(1) For purposes of this rule, "Requirements Contract" means a contract whereby the Contracting Agency has agreed to purchase as much of an identified Good or Service at a predetermined price as it requires to meet an anticipated need. Contracting Agency may enter into requirements contracts whereby it is agreed to purchase goods or services for an anticipated need at particular prices, provided the original contract is let by a competitive procurement process.

(2) Purchase may also be made at prices established by a requirement contract or other agreement between another public body and a contractor, if the requirement contract was established by a competitive procurement process.

(3) The term of any requirement contract, including renewals, shall not exceed five years.

E-8 Office Copier Purchases

(1) Contracting Agency may enter into multiple requirements contracts for either the purchase, rental or lease of office copying equipment. Except for this multiple award exemption, such contracts shall otherwise conform to the requirements of Public Contracting Rule E-7.

(2) In exercising this exemption, Contracting Agency shall fully consider the operating capabilities, limitations and cost of each brand or model and select the brand which will produce the best combination of performance and cost per copy for each application.

E-9 Manufacturer Direct Supplies

Contracting Agency may purchase goods directly from a manufacturer without a competitive solicitation process if a large volume purchase is required and the cost from the manufacturer is the same or less than the cost the manufacturer charges to its distributor(s). Procurements of this type are made on a contract-by-contract basis, and are not requirements contracts.

E-10 Gasoline, Diesel Fuel, Heating Oil, Lubricants and Asphalt

Contracting Agency is exempt from formal competitive procurement requirements for the purchase of gasoline, diesel fuel, heating oil, lubricants and asphalts if Contracting Agency conducts an intermediate procurement and Contracting Agency awards the Contract to the Offeror offering the least expensive goods, and retains written justification for the purchase made.

E-11 Hazardous Material Removal; Oil Cleanup

Contracting Agency 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 Department of Environmental Quality (DEQ) under ORS Chapter 466, and such DEQ order necessitates the prompt establishment and performance of the contract in order to comply with the statutes regarding spill or release of oil or hazardous material that have created an emergency condition. Comprehensive cleanup rules are set forth at OAR 340-122-205 to 340-122-360. In exercising its authority under this exemption Contracting Agency shall:

(a) 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 or services;

(b) Make written findings describing the circumstances requiring cleanup or a copy of the DEQ order ordering such cleanup;

(c) Record the measures taken under subsection (a) of this section to encourage competition, the amount of the quotes or proposals obtained, if any, and the reason for selecting the contractor selected.

E-12 Insurance, Employee Benefit

Contracting Agency may purchase employee benefit insurance without a competitive solicitation process, regardless of dollar amount.

E-13 Medical and Laboratory Supplies

Contracting Agency is not required to purchase the following specified laboratory and medical supplies on the basis of a single award to the lowest responsible bidder, but instead may purchase different brands of the same item by awarding contracts, after competitive bidding, to the lowest responsible bidder for each brand. The laboratory and medical supplies affected by this rule include, but are not limited to:

- (1) Drugs, biologicals, blood fractions, and blood components;
- (2) Intravenous solutions and associated supplies for administration;
- (3) Microbiologicals, biochemicals, and diagnostic reagents;
- (4) Surgical dressings;
- (5) Heart valves;
- (6) E.E.G., E.K.G., electrodes, charts, and associated supplies;
- (7) Sterilizing wraps;
- (8) Catheters, medical tubes, and associated supplies;
- (9) Surgical and orthopedic instruments;
- (10) Hearing aids;
- (11) Pacemakers;
- (12) Dental supplies;
- (13) Laboratory small package chemicals;
- (14) Biology supplies; and
- (15) Therapeutic or cosmetic implants.

E-14 Concession Agreements

(1) A concession agreement is a contract that authorizes and requires a private entity or individual to promote or sell, for its own business purposes, specified types of goods or services from a site within a building or upon land owned or controlled by Contracting Agency, and under which the concessionaire makes payments to Contracting Agency based, in whole or in part, on the concessionaire's sales revenues. The term "concession agreement" does not include an agreement which is merely a flat-fee or per-foot rental, lease, license, permit, or other arrangement for the use of public property.

(2) Concession agreements are not required to be competitively bid. However, when it is in Contracting Agency's best interests to do so and in Contracting Agency's sole discretion, Contracting Agency may obtain competitive proposals for concession agreements using the procedures described in ORS 279B.060.

USED PERSONAL PROPERTY

E-15 Used Personal Property, Purchase of

(1) Subject to the provisions of this rule, Contracting Agency may purchase used property or equipment without competitive bidding and without obtaining competitive quotes, if it has determined that the purchase will be unlikely to encourage favoritism or substantially diminish competition, and will either result in cost savings to Contracting Agency or the public, or otherwise promote the public interest in a manner that could not be realized by a formal competitive solicitation process.

(2) "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 Contracting Agency purchase. "Used personal property or equipment" generally does not include property or equipment if Contracting Agency was the previous user, whether under a lease, as part of a demonstration, trial or pilot project, or similar arrangement.

(3) For purchases of used personal property or equipment, Contracting Agency shall, where feasible, obtain three competitive quotes, unless Contracting Agency has determined and documented that a purchase without obtaining competitive quotes will be unlikely to encourage favoritism or substantially diminish competition and will either result in substantial cost savings to Contracting Agency or the public, or otherwise promote public interest in a manner that could not be realized by a formal competitive solicitation process.

E-16 Surplus Personal Property, Disposition of

(1) Contracting Agency may dispose of surplus personal property by any means determined to be in the best interest of Contracting Agency, including but not limited to: transfer to other departments; donation to other government agencies, or non-profit organizations; negotiated or advertised sale; trade; auction; liquidation through commercially recognized third party liquidator; or destruction.

(2) Unless transfer or donation is otherwise exempt from public contracting, prior to surplus property, Contracting Agency must find that the chosen disposition will substantially promote the public interest in a manner that could not practicably be realized by a competitive solicitation process and either that the disposition will result in a cost savings to Agency or will probably result in a higher net return than if the property were sold by a competitive solicitation process.

(3) All items of personal property having a residual value of more than \$10,000 are subject to prior authorization of the Contract Review Authority.

PERSONAL SERVICES

E-17 Personal Services for Other than Architect, Engineer, Photogrammetrist, Transportation Planner, and Land Surveying Services

(1) Either the following procedures or those set forth in Contracting Agency's Public Contracting Rules, Division 47, will be used to retain the services of independent contractors, other than architects, engineers, land surveyors, or other professionals otherwise exempt from these Rules or the Code.

(2) Nothing in this section shall apply to the employment of regular Contracting Agency employees unless otherwise approved by the Contract Review Authority or its designee, or personal service contract.

(3) Unless otherwise approved by Contracting Agency, personal service contracts shall require the contractor to defend, indemnify, and hold harmless Contracting Agency, its officers, agents and employees from and against any and all claims or demands for damages of any kind arising out of or connected in any way with the contractor's performance thereunder and shall include a waiver of contractor's right to indemnification and defense under the Oregon Tort Claims Act.

(4) Unless otherwise approved by Contracting Agency, all personal service contracts shall contain a provision requiring the person or entity providing the service to obtain and maintain liability insurance coverage in at least Contracting Agency's tort liability limits, naming Contracting Agency as an additional named insured during the life of the contract.

(5) All personal service contracts shall contain all contract provisions mandated by State law. These provisions may be incorporated in the personal service contract by reference to State law, unless State law provides otherwise. Contracting Agency's Attorney's Office will prepare model contract provisions for use in Contracting Agency personal service contracts.

- (6) The following procedure shall be observed in the selection of personal service contractors:
- (a) For personal service contracts involving an anticipated fee of \$25,000 or less per annum, Contracting Agency may negotiate a contract for such services with any qualified contractor it selects.
 - (b) For personal service contracts involving an anticipated fee of more than \$25,000 per annum, Contracting Agency shall solicit at least three (3) prospective contractors who shall appear to have at least minimum qualifications for the proposed assignment, notify each prospective contractor in reasonable detail of the proposed assignment, and determine the prospective contractor's interest and ability to perform the proposed assignment.
 - (c) Contracting Agency may arrange for any or all interested prospective contractors to be interviewed for the assignment by an appropriate Contracting Agency employee or by an interview committee.
 - (d) Following a review of the qualifications and interview, where conducted, of the interested prospective contractors, Contracting Agency may select the prospective contractor, and shall prepare a personal service contract.
- (7) The above provisions regarding selection procedures do not apply to extensions, amendments, modifications or supplements to executed personal service contracts.
- (8) Criteria to be considered in the evaluation and selection of a personal service contractor may include, but is not limited to:
- (a) Total cost of services to Contracting Agency.
 - (b) Specialized experience in the type of work to be performed.
 - (c) Capacity and capability to perform the work, including any specialized services within the time limitations for the work.
 - (d) Educational and professional record, including past record of performance on contracts with governmental agencies and private parties with respect to cost control, quality of work, ability to meet schedules, and contract administration, where applicable.
 - (e) Availability to perform the assignment and familiarity with the area in which the specific work is located, including knowledge of design or techniques peculiar to it, where applicable.
 - (f) Any other factors relevant to the particular contract.
- (9) The selection procedures described in this section may be waived by Contracting Agency, in its discretion, where an emergency exists that could not have been reasonably foreseen which requires such prompt execution of a contract to remedy the situation that there is not sufficient time to permit utilization of these selection procedures.
- (10) Contracting Agency or its designee is authorized to sign all personal service contracts, unless otherwise established by Contracting Agency policy.
- (11) Nothing contained in this section shall preclude Contracting Agency from complying with provisions of Federal or State law that require Contracting Agency to utilize a different selection or contracting procedure.

E-18 Liability Insurance Contracts

Contracts for insurance where either the annual or aggregate premium exceeds \$25,000 must be let using one of the following procedures:

- (1) Agent of Record: Contracting Agency may appoint a licensed insurance agent ("agent of record") to perform insurance services in connection with more than one insurance contract. Among the services to be provided is the securing of competitive proposals from insurance carriers for all coverages for which the agent of record is given responsibility.

(a) Prior to the selection of an agent of record, Contracting Agency shall make reasonable efforts to inform known insurance agents in the competitive market area that it is considering such a selection. Such efforts may include one or more of the following methods: direct mailed notice, publishing notice in a newspaper of general circulation, or posting notice on Contracting Agency's website. Any such notice shall generally describe the nature of the insurance that the Contracting Agency will require.

(b) Any appointment period shall not exceed five years. Agents may serve more than one appointment period. Agents must qualify for appointment prior to each period as if each appointment period were the first.

(c) In selecting an agent of record, Contracting Agency shall select the agent(s) most likely to perform the most cost-effective services.

(2) Specific Proposals for Insurance Contracts: Contracting Agency may solicit proposals from licensed insurance agents or licensed insurers for the purpose of acquiring specific insurance contracts subject to the following conditions:

(a) Contracting Agency shall make reasonable efforts to inform known insurance agents or insurers in the competitive market area of the subject matter of the contract, and to solicit proposals for providing the services required in connection with the contract. Such efforts may include one or more of the following methods: direct mailed notice, publishing notice in a newspaper of general circulation, or posting notice on Contracting Agency's website.

(b) Contracting Agency shall select an agent or insurer on the basis of the most competitive offer considering coverage, premium cost, and service to be provided.

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 3

Meeting Date: March 18, 2024

Department: Public Works

ITEM TITLE: Safe Routes to School Infrastructure Grant Program Application

DISCUSSION/ISSUE:

On February 12, 2024, Oregon Department of Transportation announced the opening of the next round of Safe Routes to School (SRTS) competitive construction program grant application process. Part 1 of the application process is due March 25, 2024. The purpose of the Application Part 1 is to confirm eligibility of the proposed project, help applicants understand how competitive their application may be, as well as allow the Safe Routes to School Construction Program Manager to gauge how many applicants will apply for the current round of funding to allocate adequate staffing resources for effective application review and scoring.

Application Part 2 opens May 6, 2024 and closes July 31, 2024. Application Part 2 is where we provide additional information regarding the project, school specifics, cost estimates and timeline, match information, and maps, photos and support letters for the project.

The Safe Routes to School (SRTS) programs aim to create safe, healthy, convenient, and fun opportunities for children to use active transportation for the school commute. These initiatives promote livable, vibrant communities, increase physical activity, and improve unsafe walking, biking, and skating conditions throughout the community. This includes a commitment to providing safe bicycle and pedestrian infrastructure and reducing crash rates in all communities, including those with low-income families and non-English speakers.

Projects can vary, however the grant program is targeting safety projects on public right-of-ways which are consistent with transportation system plans; supported by the school district; are within a one-mile radius of a Title I school (Siuslaw Elementary, Middle and High schools are Title I schools); and that positively affects the ability of children to walk and bike to school. Title I schools are those that have 40% or more low income students that are receiving reduced or free meals. Project examples include sidewalks, median refuge islands, rectangular rapid flashing beacons, bike lanes, curb ramps with extensions, advanced warning signage, and intersection illumination to name a few.

There is a 40% cash match for the grant funds, however that is reduced to 10.27% if the project is within a city of 25,000 people or fewer; the affected school (school with in one-mile of the project) has 40% or more students are low income; or the project reduces hazards within a Priority Safety Corridor.

In order to qualify as a Priority Safety Corridor, the project must be located on or address a barrier to students walking and biking to school on a road where the posted speed or 50th percentile speed of traffic is 40 miles per hour or greater, OR if any two of the following apply:

- Posted speed limit is 30 miles per hour or greater;
- More than two lanes or a crossing distance greater than 30 feet
- 12,000 or greater annual average daily traffic
- Has a demonstrated history of crashes related to school traffic, or is near a Title I school, or is within a “Priority Safety Corridor”.

Based on the criteria our match would be reduced to a minimum of 10.27% since our community is less than 25,000 in population and our schools are Title I schools.

Our project, which was also identified in the 2023 Transportation System Plan Update, is to install sidewalks along both sides of 35th Street from Rolling Dunes Park (Siano Loop) to Kingwood Street.

The SRTS grant application will complement our 2027-2030 All Roads Transportation Safety (ARTS) grant submission. In that project we identified the need to install enhanced crossing treatments at Oak and 35th Street, including a pedestrian activated Rectangular Rapid Flash Beacon (RRFB), and sidewalks along 35th Street between Pine and Kingwood streets.

FISCAL IMPACT:

This is the first step in a multi-step process. The first step is to submit the Application Part 1 to confirm eligibility of the proposed project and determine how competitive our application may be. If the application is selected to move forward, we will submit the Application Part 2 which further refines the project and project cost estimates and the match requirements. Finally, if the grant application package is approved by the Oregon Department of Transportation (ODOT), staff will bring forward a request for Council to accept the grant offer from the SRTS program.

If the City is ultimately selected for the grant, we would have a minimum match of 10.27%. Currently, our grant application will be for a total project of \$1,070,000, with a corresponding a 10.27% match requirement, our match is \$109,889.

RELEVANCE TO ADOPTED CITY WORK PLAN:

The Safe Routes to School grant application for 35th Street between Rolling Dunes Park (Siano Loop) and Kingwood Streets is related to the City work plan objectives of:

- Seek Safe Routes to School grants to extend sidewalks along 35th from Hwy 101 to Rolling Dunes Park.

The Safe Routes to School grant application is also related to the following overarching City Goals:

- City Service Delivery – improving the delivery of cost effective and efficient services by leveraging grant proceeds.
- Livability & Quality of Life – being responsive to our community’s needs with safe, efficient, effective and sustainable service delivery.
- Economic Development – by maintaining and enhancing safety of our transportation system will attract additional uses from the region which may increase tourism and dollars spent within the community.
- Communication & Trust – strengthening citizen trust by cooperatively working with established community associations for the common good of the community.
- Financial & Organizational Sustainability – leveraging grant proceeds to complete transportation safety enhancements for the City.

ALTERNATIVES:

1. Submit grant application for the SRTS Grant Program.
2. Do not authorize staff to submit a grant.

RECOMMENDATION:

Staff recommends that the City Council authorize staff to submit a Safe Routes to School Competitive Construction Grant for safety enhancements (sidewalks) to our pedestrian systems along 35th Street between Rolling Dunes Park (Siano Loop) and Kingwood Street.

AIS PREPARED BY: Mike Miller, Public Works Director

CITY MANAGER’S RECOMMENDATION: Approve Disapprove Other
 Comments:

ER Reynolds

ITEM’S ATTACHED:

Attachment 1 – Resolution No. 5, Series 2024

Attachment 1

CITY OF FLORENCE RESOLUTION NO. 5, SERIES 2024

A RESOLUTION ESTABLISHING APPROVAL TO APPY FOR A GRANT FROM THE OREGON DEPARTMENT OF TRANSPORTATION FOR SAFE ROUTES TO SCHOOL (SRTS) PROGRAM AND DELEGATING AUTHORITY TO THE CITY MANAGER OR DESIGNEE TO SIGN THE APPLICATION

RECITALS:

1. The Oregon Department of Transportation is accepting grant applications for the SRTS Competitive Construction Grant Program.
2. The City of Florence desires to participate in this grant program to the greatest extent possible as a means of improving pedestrian safety along 35th Street between Rolling Dunes Park (Siano Loop) and Kingwood Street.
3. ODOT has developed a list of criteria that places emphasis on projects that serve Tier 1 schools and provides safe routes to schools.
4. The City of Florence has available local matching funds to fulfill its share of obligation related to this grant application should the grant funds be awarded.
5. The City of Florence will provide adequate funding for on-going operations and maintenance of these facilities should the grant funds be awarded.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. The City Council demonstrates its support for the submittal of a grant application to the Oregon Department of Transportation Safe Routes to School (SRTS) Competitive Construction Grant Program to complete pedestrian safety improvements along 35th Street between Rolling Dunes Park (Siano Loop) and Kingwood Street.
2. This Resolution takes effect immediately upon adoption.

ADOPTION:

This Resolution is passed and adopted on the 18th day of March, 2024.

Rob Ward, Mayor

Attest:

Lindsey White, City Recorder

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 4

Meeting Date: March 18, 2024

Department: Public Works

ITEM TITLE: Request for a public hearing to be held for the creation of a proposed Reimbursement District for the 35th and Rhododendron Intersection Improvements and Multi-Use Path Construction Project.

DISCUSSION/ISSUE:

The City is the applicant requesting that the City Council initiate a Reimbursement District (RID) to distribute the costs associated with improving the intersection of 35th Street and Rhododendron Drive, including the separated multi-use path to properties that have future development and redevelopment potential. A RID is a process and means to make certain public improvements to serve property and then recover a portion of the cost of the improvements when the improvements benefit, within a specified time, other properties.

As the City Council is aware, the City has planned for a construction project, the Rhododendron Drive Realignment and Improvement Project, that extends from Wildwinds to just north of 35th Street on Rhododendron Drive. This project includes a realignment of travel lanes, incorporates a separated multi-use path, stormwater facilities, and improvements to sanitary sewer and water lines. The City is requesting the formation of an RID to recover a portion of the costs, specifically for the portion of this project at the 35th and Rhododendron intersection and the multi-use path extending north from this intersection, that will be hereafter for the purposes of the RID be referred to as the Project.

In accordance with the [Florence City Code \(FCC\) 8-5-1-3](#) the following report from the Public Works Director is submitted:

1. Improvement description – Widening of Rhododendron Drive at 35th Street to accommodate a dedicated south bound left turn lane onto 35th Street and 1,225 lineal feet of separated multi-use path north of the Rhododendron Drive and 35th Street intersection.
 2. Financing - The City will pay for all of the improvements at the time the Project is constructed. The benefiting properties will pay a total of \$170,240 to the City of Florence upon the date established on their development agreements or upon redevelopment or development of their properties as applicable as shown in Attachments 1 and 2.
 3. District Area –There are eight (8) properties benefitting Properties, 1. Sandpines West Lot Owners Association Inc., Map Reference Number 18-12-15-33, Tax Lot 04600; 2. Apic Florence Holdings, LLC, Map Reference Number 18-12-15-33, Tax Lot 00700; 3. Apic Florence Holdings, LLC, Map Reference Number 18-12-15-34, Tax Lot 03800; 4. Apic Florence Holdings,
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LLC Map Reference Number 18-12-15-34, Tax Lot 03900; 5. Apic Florence Holdings, LLC Map Reference Number 18-12-15-34, Tax Lot 04000; 6. Apic Florence Holdings, LLC Map Reference Number 18-12-15-34, Tax Lot 04100; 7. Apic Florence Holdings, LLC Map Reference Number 18-12-15-34, Tax Lot 04200; 8. Apic Florence Holdings, LLC, Map Reference Number 18-12-22-21, Tax Lot 01900.

4. Estimated Cost – The City Engineer’s provided preliminary estimates for construction of realignment and improvements along Rhododendron Drive from Wildwinds to 35th Street. The estimated total cost for components associated with the RID construction, construction management and contingency of the improvements is approximately \$346,723. The City’s contribution is approximately 51% of the costs.

5. Methodology - The proposed assessments are based on three different variables. These variables include the associated part of the project a property benefits from (intersection improvements, separated multi-use path or both), the cost of the improvements and the number of density/lots allowed by code. All of the lots included in the district are very large and will be divided in the future or include residential units such as apartments or condominiums. Lots with more density pay more than those with less. The total associated project cost of the benefitting property owners, the number of benefitting lots/housing units, and the cost per lot and/or unit will be provided at the Council meeting.

Following receipt of the application, the first step in formation of an RID is for the Public Works Director to prepare a report as completed above. Then Council, after considering the above information may:

- Direct that a public hearing be held on the proposed Reimbursement District consistent with the Public Works Director’s report and direct that notice of the hearing be given as provided in FCC 8-5-1-4;
- Modify the Public Works Director’s report and then direct that a public hearing be held on the proposed Reimbursement District consistent with the Director’s report as modified and direct that notice of the hearing be given as provided in FCC 8-5-4-1;
- Require additional information about the proposed Reimbursement District; or
- Decide not to make the proposed Reimbursement District.

FISCAL IMPACT:

The Project will be paid for by the City, with cost recovery from the benefited properties occurring upon development or redevelopment of their property, as shown in Attachment 1

RELEVANCE TO ADOPTED CITY WORK PLAN:

The development of a Reimbursement District to recover the costs associated with potential growth and benefiting properties within the Rhododendron Drive Realignment and Improvement Project is related to the City work plan objectives under Infrastructure & Capital Improvements: Streets & Sidewalks

- Objective: Reconstruct Rhododendron Drive – Wildwinds to 35th including realignment, separated multi-use path and improved river overlook/parking area.
- Objective: Plan for development and construction of the continuation of a separated 12' multi-use path along Rhododendron from 35th to North Jetty Road, and from North Jetty Road to Heceta Beach Road.

The development of a Reimbursement District is also related to the following overarching City Goals:

- City Service Delivery – improving the delivery of cost effective and efficient services by implementing the Transportation System Plan to areas that have had economic challenges.
- Livability & Quality of Life – being responsive to our community's needs with safe, efficient, effective and sustainable service delivery.
- Economic Development – by leveraging private property owner's contributions to a larger project and utilizing SDC's and other resources to assist in paying for qualifying costs of excess capacity which lowers the overall costs to the individual property owner. This project should eliminate a large road block to development and allow properties to develop to their highest and best use.:
- Communication & Trust – strengthening citizen trust by cooperatively working with property owners for the logical improvement of Rhododendron Drive and 35th Street and the extension of the separated multi-use path.
- Financial & Organizational Sustainability – leveraging public and private funds to complete transportation safety enhancements for the City.

ALTERNATIVES:

1. Direct that a public hearing be held on the proposed Reimbursement District consistent with the Public Works Director's report.
2. Modify the Public Works Director's report and then direct that a public hearing be held on the proposed Reimbursement District.
3. Direct Staff to modify the preliminary design report and return for Council action.
4. Direct Staff in alternative action; or
5. Decide not to make the proposed Reimbursement District.

RECOMMENDATION:

Direct that a public hearing be held for the formation of the Reimbursement District as proposed for Project (the Rhododendron Realignment and Improvement project for the 35th and Rhododendron Drive intersection improvements and multi-use path extending north of the 35 Street Intersection.

AIS PREPARED BY: Mike Miller, Public Works Director

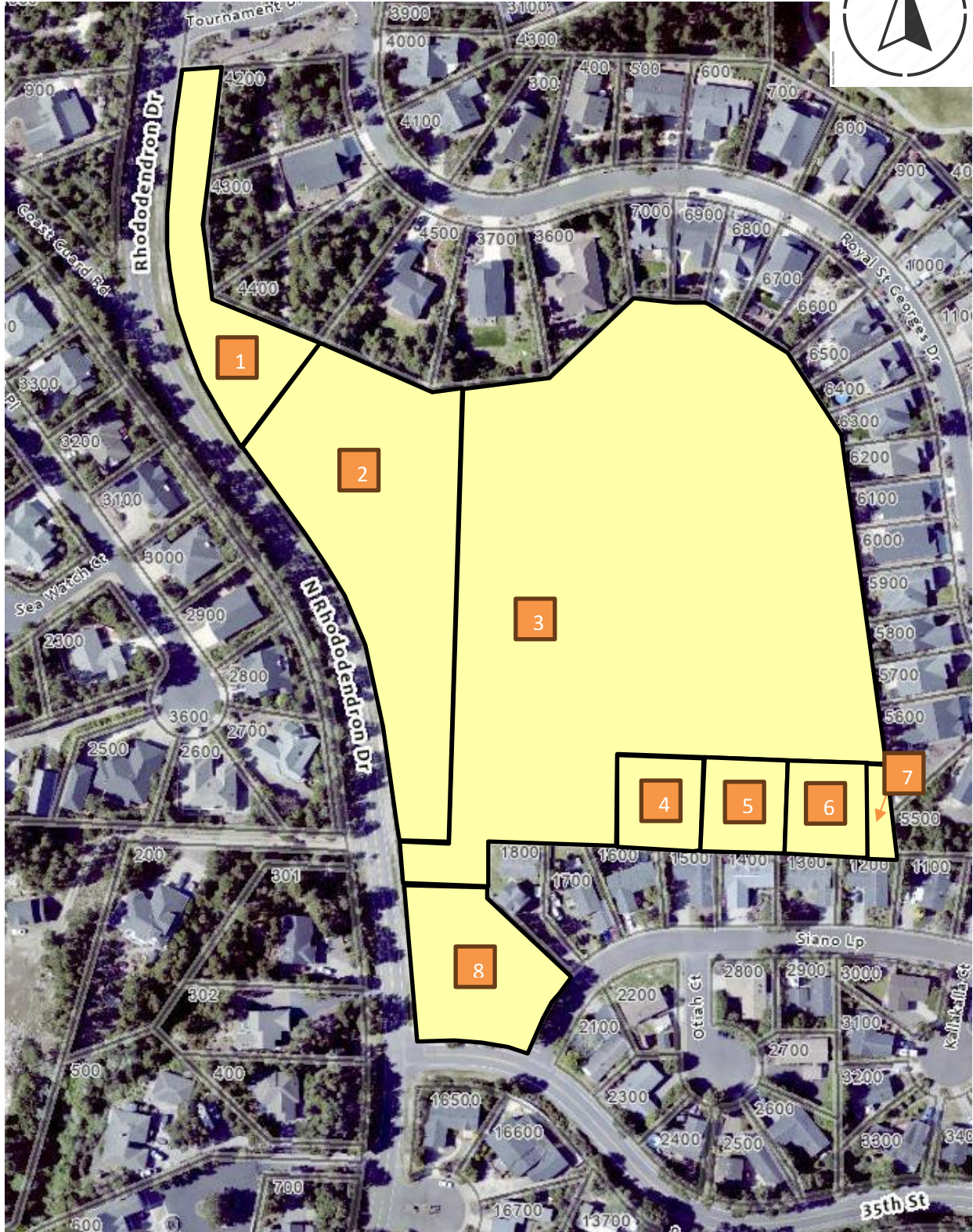
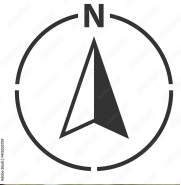
CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other

Comments:

ER Reynolds

ITEM'S ATTACHED:

- Attachment 1** – Map of the project area showing participation
- Attachment 2** – Table of Assessments



	Map & Tax Lot	Owner	Acreage	Cost Share
1	18-12-15-33-04600	Sandpines West Lot Owners Assoc,	0.67	\$6,563.00
2	18-12-15-33-00700	Apic Florence Holdings, LLC	1.85	\$33,360.96
3	18-12-15-34-03800	Apic Florence Holdings, LLC	5.93	\$105,295.50
4	18-12-15-34-03900	Apic Florence Holdings, LLC	0.25	\$4,170.12
5	18-12-15-34-04000	Apic Florence Holdings, LLC	0.25	\$4,170.12
6	18-12-15-34-04100	Apic Florence Holdings, LLC	0.25	\$4,170.12
7	18-12-15-34-04200	Apic Florence Holdings, LLC	0.06	\$1,042.31
8	18-12-22-21-01900	Apic Florence Holdings, LLC	0.63	\$11,467.83

City of Florence
Table of Assessments for the Project

Attachment 2

Taxlot	Owner's Name	Area in Acres	Area in Square Feet	Potential EDU's	Cost share for intersection improvements	Cost share for Multi-use Path	Total cost share
1812153304600	Sandpines West Lot Owners Assoc. Inc	0.67	29,185	11	N/A	\$6,563.00	\$6,563.00
1812153300700	Apic Florence Holdings, LLC	1.85	80,586	32	\$14,267.52	\$19,093.44	\$33,360.96
1812153403800	Apic Florence Holdings, LLC	5.93	258,311	101	\$45,031.86	\$60,263.67	\$105,295.53
1812153403900	Apic Florence Holdings, LLC	0.25	10,890	4	\$1,783.44	\$2,386.68	\$4,170.12
1812153404000	Apic Florence Holdings, LLC	0.25	10,890	4	\$1,783.44	\$2,386.68	\$4,170.12
1812153404100	Apic Florence Holdings, LLC	0.25	10,890	4	\$1,783.44	\$2,386.68	\$4,170.12
1812153404200	Apic Florence Holdings, LLC	0.06	2,614	1	\$445.84	\$596.48	\$1,042.32
1812222101900	Apic Florence Holdings, LLC	0.63	27,443	11	\$4,904.46	\$6,563.37	\$11,467.83
Totals		9.89	430,809	168	\$70,000.00	\$100,240.00	\$170,240.00

Version date as proposed 3/18/2024

**AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL**

ITEM NO: 5
Meeting Date: March 18, 2024
Department: Admin Svs Dept.

ITEM TITLE: Fiscal Year 2022-23 Audited Financial Statements

DISCUSSION/ISSUE:

The City received the audited financial statements for the fiscal year ended June 30, 2023 from its independent auditors. The auditors have provided an unmodified opinion on the statements. The auditors also sent a required communication regarding internal controls, that management responded to. The report and communication have been filed with the Secretary of State. The financial report has been posted online.

In accordance with the Office of Management and Budget (OMB), any entity that expends \$750,000 or more of federal assistance (federal funds, federal grants, or federal awards) must undergo what is called a *Single Audit*. A Single Audit ensures that a recipient of federal funds is in compliance with the federal program's requirements for how money can be used. The City did not receive any findings or questioned costs in relation to its use of federal funds. The OMB changed its requirements for entities expending more than \$750,000 due to funds received through the American Rescue Plan Act (ARPA). If the entity didn't receive enough funds to trigger a single audit without taking ARPA funds into account, an audit of funds would be conducted, but at a higher level. The City did not meet this threshold so did not have a single audit this year.

The City's net position (the difference between assets and liabilities) increased \$0.87 million during 2022-23. This increase can be attributed to a prior period adjustment related to the recording of the City's ARPA funds. Governmental fund balance at June 30, 2023 totaled \$6,315,874.

The City received an unmodified opinion from its auditors, SingerLewak, LLC, for the fiscal year ending June 30, 2023.

FISCAL IMPACT:

The independent audit of the City's financial statements is an important financial accountability function. Having a clean (unmodified) opinion on the financial statements demonstrates the City's continued good stewardship of the taxpayer's money, creditworthiness to its current and future lenders, it allows the City to be a strong financial partner for grants, and puts the City in a position to continue to receive state funding.

RELEVANCE TO ADOPTED CITY WORK PLAN:

Communicates full fiscal year financial results of operations and balances for assets, liabilities, and equity at June 30, 2023.

ALTERNATIVES: NA

RECOMMENDATION:

Receive Report.

AIS PREPARED BY: Anne Baker, Administrative Services Department Director

CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other

Comments:

ER Reynolds

ITEM'S ATTACHED: Attachment 1 – Report, Communication from Auditors



City of Florence, Oregon
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

CITY OF FLORENCE, OREGON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023

Prepared by:

Finance Department of the City of Florence
Anne Baker, Administrative Services Director

CITY OF FLORENCE, OREGON

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INTRODUCTORY SECTION

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City of Florence

250 Hwy 101, Florence, OR 97439
www.ci.florence.or.us

February 21, 2024

Honorable Mayor Rob Ward
Members of the Florence City Council
Citizens of Florence, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. Thus, we are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Florence, Oregon (City) for the fiscal year ended June 30, 2023, together with the unmodified opinion therein of our independent certified public accountants, SingerLewak.

Management has the full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for that purpose. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various fund of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

It is the responsibility of SingerLewak, as the independent accountants, to express an opinion of the fairness of the basic financial statements which have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The independent accounts have attested to the fairness of the basic financial statements with an unmodified opinion as presented in the Independent Auditor's Report.

In addition to the annual audit, the City is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits if the amount of federal grants received is \$750,000 or greater. This fiscal year, the City did not meet the minimum required to mandate the Single Audit, however, because the City received funding through the American Rescue Plan Act (ARPA), the audit contains an Attestation, or review of its ARPA funding and uses. The Attestation can be found in a separate report.

This report includes all funds of the City including the Florence Urban Renewal Agency (FURA), an urban renewal agency. Financial data for FURA are included in these statements as a blended component unit.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A is located immediately following the report of the independent auditors, beginning on page 4.

FLORENCE, OREGON PROFILE

Incorporated in 1893, Florence is a scenic seaside community at the confluence of the Siuslaw River and the Pacific Ocean. The City is located along the Pacific Coast Scenic Byway (Highway 101), only one hour west of Eugene, and is served by a marina and boasts its own airport.



Florence’s Historic Old Town is a charming 1900s fishing village that is built along the Siuslaw River. The Siuslaw River Bridge, which connects Highway 101 across the Siuslaw River, is visible from much of Old Town. The iconic bridge, designed by Conde B. McCullough along with four others, was completed in March of 1936 as a part of the Coast Bridge Project.

The City is governed by a directly elected nonpartisan Mayor with a two-year term who leads a four-member City Council elected to four-year overlapping terms. A full-time City Manager administers the affairs of the City for the Council, and supervises a staff of six department directors and 65 permanent employees. Florence lies

within Lane County, which has five commissioners, elected by district.

The City provides police, emergency dispatch, municipal court, water, sewer, and surface water utilities. The City has an urban renewal agency, the Florence Urban Renewal Agency, which is staffed by City personnel and overseen by a separate nine-member board that includes three City Councilors.


The City owns and operates a convention and performing arts center, home to many annual events such as the Winter Music Festival, the Florence Festival of Books, the Florence Home and Garden Show. The Florence Events Center (FEC) is also home to the Last Resort Players theater company and the Rotary Club of Florence.

The City of Florence resides in Lane County, which has a population of 384,374. As of July 1, 2023 the City had an estimated population of 9,832 (Portland State University).

Population: City of Florence and Lane County

Year	City of Florence	Percent Change	Lane County	Percent Change
1980 Census	4,411	-	275,828	-
1990 Census	5,171	17.2%	282,912	2.6%
2000 Census	7,263	40.5%	322,959	14.2%
2010 Census	8,466	16.6%	351,715	8.9%
2020 Census	9,396	11.0%	382,986	8.9%

Source: Portland State University population research

 <p>Public Works 2675 Kingwood St. (541) 997-4106</p>	<p>City Manager / City Recorder 900 Greenwood St. (541) 997-3437</p>	<p>Community Development: Planning & Building 2675 Kingwood St. (541) 997-8237</p>	<p>Finance / Utility Billing 2675 Kingwood St. (541) 997-3436</p>	<p>Justice Center 900 Greenwood St. (541) 997-3515</p>	<p>Florence Events Center 715 Quince St. (541) 997-1994</p> 
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ECONOMIC OUTLOOK AND CONDITION

Tourism makes up the major portion of the City's economic base. The Oregon Dunes and Honeyman State Park are popular attractions that bring many out of town, state, and country visitors to the area. Old Town is home to many boutique shops and restaurants popular with visiting tourists. The City receives a 4% surcharge on all lodging stays within city limits that have a duration of 29 days or less. In conjunction with the Florence Area Chamber of Commerce, this funding is used to promote tourism and tourist activities for Florence and the surrounding area. Tourism has rebounded for the Florence area after the nation-wide shut-down from COVID. The increase in number of person trips and spending per person per trip increased, but slowed from the previous year as recovery from the effects of COVID completed.

Coastal region visitor volume and average spending in calendar year 2023 (source: Travel Oregon, Travelstats.com):

Person Trips	5.5 million (up 4.5% YOY)
Spending per person per trip	\$522.1 (up 6.9% YOY)

Unemployment for Lane County fell from 3.9% in 2022 to 3.8% in 2023. The unemployment rate has decreased 7.3% since 2020.

One factor in measuring the economic condition of a community is its overall real market value. For properties within the City, the real market value increased 7.3 percent from \$1.94 billion to \$2.3 billion (\$393.2 million) in the last fiscal year.

In April of 2023, the City entered into a \$13.6 million financing agreement with Banner Bank. The funding is to be used to finance several equipment purchases and projects throughout the City. Interest payments on the four issues were made in June of 2023 with regular principal and interest payments to start in December of 2023.

MAJOR INITIATIVES

Administration

FURA worked with the Florence Area Chamber of Commerce to install flower baskets and banners along Highway 101.

Economic Development worked with the Florence Urban Renewal Agency to complete the Disposition and Development Agreement (DDA) with Braun Hospitality for the Quince Street property across from the Florence Events Center.

The City Recorder managed the local election filing process for City Council openings.

Facilitated the disbursement of the Community Development Block Grant funding for the rehabilitation of owner-occupied housing.

Supported the efforts of the Public Arts Committee.

Supported and staffed the Transportation System Plan Update.

Administrative Services

Completed the 2023-25 biennial budget process.

Awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2021-22 Annual Comprehensive Financial Report.

The City continues to be recognized by the Government Finance Officers Association of the United States and Canada for the presentation of its Adopted Budget.

Community Development

Increased land-use fees for the first time since 2007 and building fees for the first time since 2005.

Work is nearly complete for two long-range planning efforts: the Transportation Systems Plan Update and the Housing Implementation Plan phase and related code updates.

Updated the Building Inspection Service program with new state rules for contracted services.

Public Safety

The Police Department established a drone program, which included the training of officers as pilots.

Maintained compliance with Criminal Justice Information Services (CJIS) and Federal Crime Reporting.

Parks

Began the replacement of Miller Park's "Fort Miller" with public outreach for input in the design of the new equipment.

Successfully obtained a LWCF grant to fund the Rolling Dunes tennis courts, including the replacement of the restroom facility and picnic shelter.

Florence Events Center

Deployed live-streaming technologies for virtual option and utilization in theatre productions.

Re-established the FEC volunteer crews to assist with set-up and tear-down of events.

Streets

Completed the 9th Street Roadway and Water Improvements project.

Working on the following projects:

- Rhododendron Drive reconstruction – Wildwinds to 35th Street
- Safe Routes to School on 35th Street from Highway 101 to Rolling Dunes Park.

Completed the annual chip/fog seal program.

Water

Successful well rehabilitation of wells #1 and #14, which included the pump and motor in Well #4.

Recognized as an Outstanding Performer by Oregon Health Authority, Drinking Water Services.

Wastewater

Completed the engineering and design phase of the UV System Upgrade project.

Purchased and accepted delivery of a new combination sewer cleaner.

Stormwater

Completed the 31st Street stormwater culvert improvement project.

Public Works Administration

Completed an evaluation of the Justice Center HVAC system.

Successfully applied for five grants to fund: the engineering and design of the Airport runway, taxiway, apron and taxi lane, the Siuslaw Estuary Trail, replacement of the Miller Park playground equipment, and the expansion of pickleball at Rolling Dunes Park.

CITY FLORENCE WORK PLAN

The City's Work Plan is developed based on the City's mission and goals. These goals represent the City's areas of focus for the City moving forward toward the City's mission and were ratified by the Council in early 2023.

Mission

To meet community expectations for municipal services, provide a vision for civic improvements, maintain a quality environment, and position Florence to have an economically viable and sustainable future.

Goals

1. City Service Delivery: Sustain and improve the delivery of cost effective and efficient services, including public safety, to the citizens of Florence and our visitors.
2. Livability & Quality of Life: Sustain and improve the City's livability and quality of life for Florence residents and visitors.
3. Economic Development: Create a strategy and actions aimed towards sustaining and expanding the Florence economy.
4. Communication & Trust: Sustain and improve the City's communication program and strengthen citizen trust.
5. Financial & Organizational Sustainability: Sustain and improve the City's financial position, City-wide policies, and the infrastructure networks to support current and future needs.

The City's Work Plan outlines the main priorities developed by the City Council. The Work Plan includes projects the City intends to undertake during the biennium the Plan has been approved for and also the strategies in achieving those priorities. The Plan is approved by Council biennially in conjunction with the budget process.

BUDGET AND APPROPRIATIONS

The City budgets all funds biennially. The General Fund, special revenue funds, and debt service funds are budgeted on the modified accrual basis of accounting. The enterprise funds and internal service funds are budgeted use full accrual method of accounting.

The General Fund is appropriated by program while all other funds are appropriated by category.

RELEVANT FINANCIAL POLICIES

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived; 2) the valuation of costs and benefits require estimates and judgements by management. To assure that credible and timely information is prepared in the most efficient manner possible, accounting policies, procedures, and systems, together with related internal controls, are monitored and reviewed when necessary to meet changing requirements.

Financial and Accounting Policies

This report is prepared in conformance with the guidelines for financial reporting developed by the GFOA and the GASB, including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the City at June 30, 2023, the results of operations of such funds, and cash flow of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During the Fiscal Year 2022-2023, the City utilized a total of 17 funds, of which eight are governmental fund types and nine are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, and Debt Service). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

Cash Management

Cash not required for current operations is invested in accordance with the City's written investment policy. City funds are pooled for investment purposes; investment instruments may include U.S. Treasury securities, Government-Sponsored Enterprises, and the State of Oregon Local Government Investment Pool. Additional cash and investment information is included in the notes to the financial statements.

Debt Management

The City has the following outstanding obligations: full faith and credit refunding obligations, and direct placement notes. The City's current General Obligation rating from Moody's and S&P (Standards & Poors) is A. The Administrative Services Director manages the City debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

Independent Audit

Oregon Revised Statutes (ORS) 297.405-597-555 require an annual audit by independent certified public accountants. The accounting firm of SingerLewak performed the audit for the fiscal year ended June 30, 2022. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City with the Certificate of Achievement for Excellence in Financial Reporting for the first time. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report with contents that conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This year's financial report is intended to meet the Certificate of Achievement Program's requirements and will be submitted to GFOA for their consideration of another certificate award.

The GFOA has also awarded the City with the Distinguished Budget Presentation Award (Budget Award) for its biennial budget consecutively for the last nine years. To receive this award, a government must satisfy nationally recognized guidelines for effective budget presentation to assess how well the budget services as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of Administrative Services and the certified public accountants of SingerLewak. Each has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Florence City Council, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in blue ink that reads "Anne Baker". The signature is written in a cursive, flowing style.

Anne Baker, CPFO, MAcc
Administrative Services Director

CITY OF FLORENCE, OREGON
OFFICERS AND MEMBERS OF THE GOVERNING BODY
AS OF JUNE 30, 2023

MAYOR

Robert B. Ward, Jr.

CITY COUNCIL MEMBERS

Sally Wantz – Council President

William Meyer – Council Vice President

Jo Beaudreau - Councilor

Robert Carp - Councilor

ADMINISTRATIVE OFFICIALS

Erin Reynolds, City Manager

Anne Baker, Administrative Services Director

MAILING ADDRESS

250 Hwy. 101
Florence, Oregon 97439

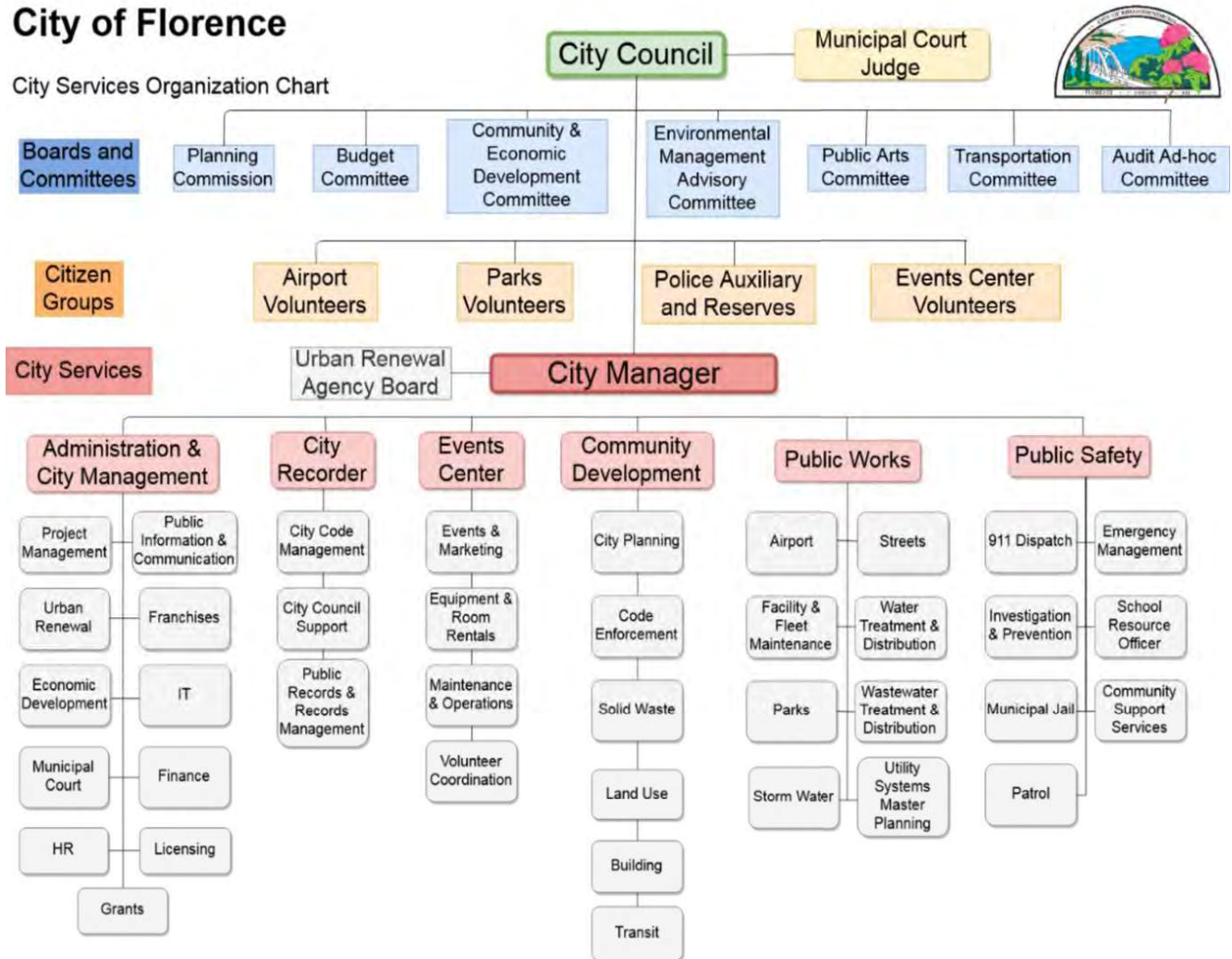
CITY OF FLORENCE, OREGON

ORGANIZATIONAL CHART

AS OF JUNE 30, 2023

City of Florence

City Services Organization Chart





Government Finance Officers Association

Certificate of
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Reporting

Presented to

**City of Florence
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Florence
Florence, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the beginning net position of the governmental and business-type activities, the beginning fund balances of the non-major governmental funds, and the beginning net position of the Stormwater Fund have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a – f and the other "Required Supplementary Information", as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Honorable Mayor and Members of City Council
City of Florence, Oregon
Independent Auditor's Report
February 21, 2024

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules on pages 53 - 57, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures and changes in fund balance - budget to actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information for the year ended June 30, 2023 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with audited standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The actual amounts for the year ended June 30, 2022 included in the schedule of revenues, expenditures and changes in fund balance - budget to actual, as listed in the table of contents under required supplementary information, were audited by other auditors whose report thereon dated February 10, 2023, expressed unmodified opinions on the respective financial statements and the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the year ended June 30, 2022.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Honorable Mayor and Members of City Council
City of Florence, Oregon
Independent Auditor's Report
February 21, 2024

The City's basic financial statements for the year ended June 30, 2022 (not presented herein), were audited by other auditors whose report thereon dated February 10, 2023, expressed unmodified opinions on the respective financial statements including the governmental activities, the business-type activities, each major fund, and the and the aggregate remaining fund information. The report by the other auditors dated February 10, 2023, stated that the combining financial statements and individual fund schedules for the year ended June 30, 2022 were subject to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respect in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 21, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

February 21, 2024

By:



Brad Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Florence, Oregon
Management's Discussion and Analysis
June 30, 2023

The "Management's Discussion and Analysis" (MD&A) section of the City of Florence, Oregon's (the City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City of Florence for the fiscal year ended June 30, 2023. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements, the notes to the financial statements and the City's "Letter of Transmittal" contained in the ACFR. In an effort to make the MD&A more readable, all amounts have been rounded to the nearest million or, in some cases, the nearest thousand.

Financial Highlights

The City's governmental activities assets totaled \$35.2 million at June 30, 2023, consisting of \$26.4 million in net capital assets, \$6.5 million in cash and cash equivalents and \$2.3 million in receivables and other assets. The City's governmental activities liabilities totaled \$16.2 million at June 30, 2023, consisting of \$15.1 million in noncurrent liabilities and \$1.1 million in accounts payable and other current liabilities. Total net position was \$19.4 million, of which \$15.5 million were invested in capital assets, net of related debt, \$3.7 million was restricted and the remaining \$0.2 million was unrestricted.

The City's governmental activities net position increased by \$869,094 or 4.7 percent, which included a prior period adjustment increasing net position by \$928,600. Overall governmental activities revenue increased \$1.3 million or 12.2 percent. Contributing to the increase were increases in capital grants and contributions (97.7%) and charges for services (121.4%). Operating grants decreased \$1.7 million (59.1%). The City received roughly \$2.1 million more in charges for services due to increased fees paid for permitting services due to several large building projects started during the year.

The City's business-type activities assets totaled \$50.7 million at June 30, 2023, consisting of \$36.4 million in capital assets, \$13.1 million in cash and cash equivalents and \$1.2 million in receivables and other assets. The City's business-type activities liabilities totaled \$18.3 million at June 30, 2023, consisting of \$18.0 million in noncurrent liabilities and \$0.3 million in accounts payable and other liabilities. Total net position was \$32.2 million of which \$26.5 million was invested in capital assets, net of related debt, \$1.1 million was restricted, and the remaining \$4.6 million was unrestricted.

The City's business-type activities net position increased by \$729,914 or 2.3 percent, which included a prior period adjustment increasing net position by \$118,624. Business-type activities revenue increased \$1.3 million at June 30, 2023. The City adjusted utility rates (water, wastewater or stormwater) in fiscal year 2023 to reflect the current costs of providing the services. Future increases of approximately the consumer price index based on the CPI-W for March – February are anticipated.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Florence's basic financial statements. The City of Florence's basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Florence's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Florence's assets, and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Florence is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Florence that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Florence include administration, community development, public safety, parks, transportation, and non-departmental. The business-type activities include an events center, airport, water, wastewater and stormwater services.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Florence, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Florence can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Florence maintains nine individual governmental funds, which includes one fund from a blended component unit, the Florence Urban Renewal Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Florence Urban Renewal Agency, and the Debt Service Fund.

Data for the remaining funds are combined into a single aggregate presentation. Individual fund data for each of the remaining funds is provided in the form of combining schedules in the other supplemental information.

Proprietary Funds. The City of Florence maintains two types of proprietary funds, Enterprise Funds and the Internal Service Fund – Public Works. The internal service fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Florence uses five enterprise funds to account for its water, wastewater, stormwater, events center, and airport activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. Custodial funds account for resources received and held in a fiduciary capacity for the municipal court. They are custodial in nature and are reported using the economic resources measurement focus.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Budgetary comparison schedules for major governmental funds are presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The combining statements, referred to earlier in connection with non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 62 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Florence, assets and deferred outflows exceeded liabilities and deferred inflows by \$51.6 million as of June 30, 2023.

The City of Florence's net investment in capital assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Florence uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Florence's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - Net Position as of June 30
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 8,814	\$ 7,222	\$ 14,305	\$ 4,521	\$ 23,119	\$ 11,743
Net capital assets	26,382	26,843	36,411	36,819	62,793	63,662
Total assets	35,196	34,065	50,716	41,340	85,912	75,405
Deferred outflow of resources	1,878	1,724	662	689	2,540	2,413
Long-term liabilities	15,110	14,010	18,027	8,795	33,137	22,805
Other liabilities	1,110	939	282	480	1,392	1,419
Total liabilities	16,220	14,949	18,309	9,275	34,529	24,224
Deferred inflow of resources	1,491	2,347	875	1,290	2,366	3,637
Net position:						
Net investment in capital assets	15,539	15,914	26,464	29,192	42,003	45,106
Restricted for:						
Public safety	630	442	-	-	630	442
Urban renewal	936	676	-	-	936	676
Tourism/economic development	193	48	-	-	193	48
Transportation	582	132	-	-	582	132
System development	129	173	1,056	1,119	1,185	1,292
Debt service	1,089	475	-	-	1,089	475
Net OPEB benefits	76	51	27	20	103	71
Specific purpose grants	19	3	-	-	19	3
Event Center, non-expendable	-	-	-	88	-	88
Unrestricted	170	579	4,647	1,045	4,817	1,624
Total net position	\$ 19,363	\$ 18,493	\$ 32,194	\$ 31,464	\$ 51,557	\$ 49,957

At the end of the current and past fiscal years, the City of Florence is able to report positive balances of net position in its governmental activities, business-like activities, and the government as a whole.

Governmental activities. Governmental activities increased the City of Florence's net position \$0.9 million or 4.7 percent. The City issued direct placement debt in the amount of \$640,700. Key elements affecting net position are as follows:

General Fund

- Franchise fees continue to be steady
- Property taxes received are leveling off as the real estate market stabilizes
- Charges for services accounts for the majority of the revenue increases as building permits were increased for the first time in several years.
- Overall revenues in the fund increased \$625,317 from the prior year

Street Fund

- Intergovernmental revenue decreased 52% as grant funded projects are closed out. The majority of intergovernmental revenue is from the City's share of the Oregon State Highway Apportionment.
- Expenditures are \$338,295 less than reported last fiscal year. Capital outlay decreased \$761,840 as the 9th Street project was wrapped up.

ARPA Fund

- The City was awarded and received a total of \$2,032,574 in ARPA grant dollars. \$1,478,400 was used under the grant's revenue recovery. Approximately \$554,174 remains and is ear-marked for capital projects in Old Town.

Table 2 - Changes in Net Position
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenue						
Charges for services	\$ 3,822	\$ 1,726	\$ 8,303	\$ 6,932	\$ 12,125	\$ 8,658
Operating grants and contributions	794	2,839	150	247	944	3,086
Capital grants and contributions	1,162	588	546	1,250	1,708	1,838
General revenue						
Property taxes	3,825	3,668	-	-	3,825	3,668
Franchise and lodging taxes	2,050	1,718	-	-	2,050	1,718
Grants not restricted	-	-	250	-	250	-
Investment earnings	188	31	184	26	372	57
Miscellaneous revenue	15	-	319	-	334	-
Total revenue	<u>11,856</u>	<u>10,570</u>	<u>9,752</u>	<u>8,455</u>	<u>21,608</u>	<u>19,025</u>
Expenses						
Governmental activities						
Administration	3,224	2,452	-	-	3,224	2,452
Community development	1,302	920	-	-	1,302	920
Public safety	3,912	3,481	-	-	3,912	3,481
Parks	406	297	-	-	406	297
Transportation	1,622	922	-	-	1,622	922
Non-departmental	407	686	-	-	407	686
Interest expense	360	381	-	-	360	381
Business-type activities						
Water	-	-	3,215	2,153	3,215	2,153
Wastewater	-	-	4,071	2,987	4,071	2,987
Stormwater	-	-	822	630	822	630
Events center	-	-	1,270	557	1,270	557
Airport	-	-	445	317	445	317
Total expenses	<u>11,233</u>	<u>9,139</u>	<u>9,823</u>	<u>6,644</u>	<u>21,056</u>	<u>15,783</u>
Change in net position before transfers	623	1,431	(71)	1,811	552	3,242
Transfers	<u>(682)</u>	<u>618</u>	<u>682</u>	<u>(618)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(59)</u>	<u>2,049</u>	<u>611</u>	<u>1,193</u>	<u>552</u>	<u>3,242</u>
Net position, beginning	18,493	16,359	31,464	30,271	49,957	46,630
Restatement	929	85	119	-	1,048	85
Net position, beginning, as restated	<u>19,422</u>	<u>16,444</u>	<u>31,583</u>	<u>30,271</u>	<u>51,005</u>	<u>46,715</u>
Net position, ending	<u>\$ 19,363</u>	<u>\$ 18,493</u>	<u>\$ 32,194</u>	<u>\$ 31,464</u>	<u>\$ 51,557</u>	<u>\$ 49,957</u>

Business-type activities. Business-type activities increased the City of Florence's net position by \$736,571, or 2.3 percent. The City issued direct placement debt in the amount of \$9.5 million. Key elements of this increase are as follows:

Water Funds

- Water utility rates were increased 5.8 percent, which contributed to the increase in charges for services
- An increase in materials and services led to a decrease in net position of (\$7,803)
- Capital contributions from system development charges were down \$77,272
- A reorganization of personnel within Public Works cause personnel services to decrease \$3,766 even as costs for personnel continue to rise
- A total of \$1.2 million in capital projects were completed during the fiscal year

Wastewater Funds

- Wastewater utility rates were increased 5.8 percent, which contributed to increased charges for services
- Capital contributions from system development charges were down \$95,673
- Personnel services decrease from the previous year (\$77,006) due to departmental reorganization
- A total of \$716,613 in capital projects were completed during the fiscal year

Stormwater Funds

- Stormwater utility rates increased 5.8 percent, contributing to increased charges for services
- Personnel costs decreased with the reorganization by \$29,750
- During the year, \$35,659 was invested in capital asset projects which have yet to be completed

Financial Analysis of the City's Funds

As noted earlier, the City of Florence uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Florence's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Florence's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Florence's governmental funds reported combined ending fund balances of \$6.3 million, an increase of \$1.25 million in comparison with the prior year. The increase is mainly attributable to a prior period adjustment to correct a \$928,600 error in the ARPA Fund revenue recognized in the year ended June 30, 2022.

The general fund is the chief operating fund of the City of Florence. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3.3 million, an increase of \$0.21 million, or 6.8 percent.

Proprietary funds. The City of Florence's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Debt was issued in late spring 2023 and many projects being financed with this issue were started, but have yet to be completed.

Unrestricted net position as of June 30, 2023 of the City's proprietary funds is as follows:

- Water Funds \$1.6 million, an increase of \$1.7 million
- Wastewater Funds \$2.0 million, an increase of \$1.4 million
- Stormwater Funds \$0.63 million, an increase of \$0.16 million
- Airport Fund \$0.31 million, a decrease of \$0.16 million
- Events Center Fund \$0.46 million, an increase of \$0.16 million
- Internal Service Fund \$0.01 million, an increase of \$0.5 million

General Fund Budgetary Highlights

The City adopted a biennial budget for the two-year biennium of July 1, 2021 to June 30, 2023. The fiscal year 2023 allocated General Fund budget for revenues was \$8.1 million. Actual revenue for the fiscal year was \$7.9 million. A negative variance in revenue of \$0.2 million resulted from intergovernmental revenue, franchise fees, and charges for services fell \$0.85 million short of estimates. Licenses, permits and fees were \$0.49 million over budget estimates and other revenue categories were near budgeted amounts.

The fiscal year 2023 actual General Fund expenditures totaled \$7.3 million. All General Fund program budgets were underspent relative to appropriated budgets for the biennium.

Capital Asset and Debt Administration

Capital assets. The City of Florence's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$62.8 million (net of accumulated depreciation). This represents a decrease of \$0.9 million. Governmental activities capital assets decreased \$0.5 million, 1.72% resulting from depreciation outpacing the addition of new assets. The business-type activities realized a decrease of \$0.5 million, 1.43%. Depreciation on assets was greater than the value of assets being added. For the year ended June 30, 2023, depreciation expense totaled \$1.3 million and \$2.3 million for governmental activities and business-type activities, respectively.

The investment in capital assets includes land, buildings and improvements, utility infrastructure, vehicles and equipment, park facilities, roads and work in progress within these various categories, net of depreciation.

The City implemented GASB Statement 87, *Leases*, for fiscal year 2021-22. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City's leases are considered capital assets and are included as such in the Notes to the Basic Financial Statements, in Note 7. The City's net value of the right to use lease assets at June 30, 2023 are \$93,039.

The City implemented GASB Statement 96, *subscription-based information technology arrangements* (SBITA), for fiscal year 2022-23. GASB 96 establishes guidance on the financial reporting for SBITAs for government end users. After the review of the City's SBITA's, it was determined the value were not material to the financial statements and they are not presented.

The following table summarizes the City of Florence's capital assets as of June 30, 2023:

Table 3 - Capital Assets as of June 30th
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,034	\$ 2,031	\$ 1,868	\$ 1,868	\$ 3,902	\$ 3,899
Buildings and improvements	6,938	7,242	14,434	15,277	21,372	22,519
Equipment and vehicles	739	694	2,210	1,795	2,949	2,489
Utility systems	-	-	10,056	9,271	10,056	9,271
Infrastructure	15,796	15,734	7,453	7,815	23,249	23,549
Right-to-use lease equipment	87	130	6	9	93	139
Construction in progress	788	1,012	384	903	1,172	1,915
Capital assets, net of depreciation	26,382	26,843	36,411	36,938	62,793	63,781

Additional information on the City of Florence's capital assets can be found in note 7 – Capital Assets.

Long-term debt. At the end of the fiscal year, the City of Florence had total long-term liabilities outstanding of \$27.3 million. \$10.13 million in direct borrowings were issued in April 2023. During fiscal year 2023 the City paid principal on outstanding debt totaling \$1.2 million. The City paid its debt service payments timely during the year and was in compliance with required debt covenants.

Table 4 - Outstanding Long-term Debt Obligations as of June 30th
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$ 1,384	\$ 1,518	\$ 716	\$ 792	\$ 2,100	\$ 2,310
Unamortized bond premium	12	12	15	17	27	29
Notes payable	9,316	9,233	15,757	6,734	25,073	15,967
Leases	88	132	6	9	94	141
Total	10,800	10,895	16,494	7,552	27,294	18,447

Additional information on the City of Florence's long-term debt and liabilities can be found in note 8 – Long-term Debt.

Economic Factors and Next Year's Budgets and Rates

In preparing the budget for the 2021-23 biennium, City management presented two-year spending in addition to a six-year financial plan for consideration and approval by the City's Budget Committee and City Council. The budget included updated assumptions for inflation and adjustments to utility rates and other City fees and charges for the two-year period. City utility rates were increased annually by the CPI-W, with additional phased-in adjustments to address equity considerations identified in the utility rate study, street revenue was increased to provide additional funding for street maintenance. Other fees and charges were adjusted to recover costs associated with inflation.

The City raised rates in alignment with the CPI, except for its utilities. Utility rates were increased 5.8 percent.

The local economy shows signs moderate growth, with additional real estate development, and increased tourism. Increases to property valuation is leveling off, and revenue forecasts were adjusted accordingly. Personnel costs, due to the increased cost of PERS and health care above inflation, are still outpacing increases in revenue. The City continues to offset this disparity by retaining its staff size, investing in technology where beneficial, thus becoming more efficient. Additionally, the City continues to outsource various functions where cost savings can be realized.

Annual inflation is projected to remain stable, with rates for the next fiscal year in the 3.0 percent to 4.0 percent range, while local population growth is projected to remain at or below 1.0 percent annually. Development activity is trending upward with two multi-unit complexes under construction. The proposed development of the Quince Street property across from the Florence Event Center is expected to increase the utilization of the Center in the years to come.

Requests for information

This financial report is designed to provide a general overview of the City of Florence's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, 250 Highway 101, Florence, 97439.

BASIC FINANCIAL STATEMENTS

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CITY OF FLORENCE, OREGON
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 6,546,052	\$ 13,100,651	\$ 19,646,703
Internal balances	317,625	(317,625)	-
Receivables, net	1,325,152	981,069	2,306,221
Inventory	38,612	122,790	161,402
Prepaid items	173,978	299	174,277
Lease receivable	111,498	391,519	503,017
Note receivable	225,000	-	225,000
Net other postemployment benefit asset	75,941	26,760	102,701
Capital assets:			
Capital assets, nondepreciable	2,821,867	2,252,004	5,073,871
Capital assets, net of accumulated depreciation	23,560,067	34,159,288	57,719,355
 Total assets	 35,195,792	 50,716,755	 85,912,547
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,815,279	639,653	2,454,932
Other postemployment benefit related items	62,671	22,085	84,756
 Total deferred outflows of resources	 1,877,950	 661,738	 2,539,688
LIABILITIES			
Accounts payable and accrued liabilities	433,001	142,717	575,718
Accrued interest payable	54,314	58,963	113,277
Retainage payable	49,104	79,571	128,675
Deposits	20,000	-	20,000
Unearned revenue	554,174	-	554,174
Long-term liabilities:			
Due within one year	1,309,985	1,094,342	2,404,327
Due in more than one year	13,799,310	16,933,048	30,732,358
 Total liabilities	 16,219,888	 18,308,641	 34,528,529
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,316,571	463,921	1,780,492
Other postemployment benefit related items	63,205	22,271	85,476
Leases	111,498	389,287	500,785
 Total deferred inflows of resources	 1,491,274	 875,479	 2,366,753
NET POSITION			
Net investment in capital assets	15,539,326	26,463,581	42,002,907
Restricted for:			
Public safety	630,245	-	630,245
Tourism	192,841	-	192,841
Urban renewal projects	935,623	-	935,623
Transportation	582,190	-	582,190
System development	128,777	1,056,175	1,184,952
Debt service	1,088,955	-	1,088,955
Net OPEB benefits	75,941	26,760	102,701
Specific purpose grants	18,643	-	18,643
Unrestricted	170,039	4,647,857	4,817,896
 Total net position	 \$ 19,362,580	 \$ 32,194,373	 \$ 51,556,953

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Capital	Governmental Activities	Business-type Activities	Total
		Charges for Services	Grants and Contributions	Grants and Contributions			
Governmental activities:							
Administration	\$ 3,223,099	\$ 1,947,377	\$ 117,646	\$ -	\$ (1,158,076)	\$ -	\$ (1,158,076)
Community development	1,301,985	425,289	200,706	279,406	(396,584)	-	(396,584)
Public safety	3,911,683	497,308	337,456	70,764	(3,006,155)	-	(3,006,155)
Parks	405,907	52,400	137,833	-	(215,674)	-	(215,674)
Transportation	1,622,142	868,266	-	811,519	57,643	-	57,643
Non-departmental	407,421	31,400	-	-	(376,021)	-	(376,021)
Interest	360,309	-	-	-	(360,309)	-	(360,309)
Total governmental activities	<u>11,232,546</u>	<u>3,822,040</u>	<u>793,641</u>	<u>1,161,689</u>	<u>(5,455,176)</u>	<u>-</u>	<u>(5,455,176)</u>
Business-type activities:							
Water	3,214,676	2,805,157	-	156,646	-	(252,873)	(252,873)
Wastewater	4,070,908	4,220,693	-	207,084	-	356,869	356,869
Stormwater	822,121	718,902	-	69,191	-	(34,028)	(34,028)
Airport	444,729	131,191	-	112,797	-	(200,741)	(200,741)
Events center	1,269,829	426,570	149,745	-	-	(693,514)	(693,514)
Total business-type activities	<u>9,822,263</u>	<u>8,302,513</u>	<u>149,745</u>	<u>545,718</u>	<u>-</u>	<u>(824,287)</u>	<u>(824,287)</u>
Total primary government	\$ 21,054,809	\$ 12,124,553	\$ 943,386	\$ 1,707,407	(5,455,176)	(824,287)	(6,279,463)
General revenues:							
Property taxes					3,824,311	-	3,824,311
Franchise fees					1,124,092	-	1,124,092
Transient lodging tax					618,289	-	618,289
Other taxes					307,994	-	307,994
Grants and contributions not restricted to specific programs					-	250,000	250,000
Unrestricted investment earnings					188,499	184,372	372,871
Miscellaneous					14,845	318,845	333,690
Transfers					<u>(682,360)</u>	<u>682,360</u>	<u>-</u>
Total general revenues and transfers					<u>5,395,670</u>	<u>1,435,577</u>	<u>6,831,247</u>
Change in net position					(59,506)	611,290	551,784
Net position at beginning of year					18,493,486	31,464,459	49,957,945
Prior period adjustment - Note 3					928,600	118,624	1,047,224
Net position at beginning of year, as restated					<u>19,422,086</u>	<u>31,583,083</u>	<u>51,005,169</u>
Net position at end of year					\$ 19,362,580	\$ 32,194,373	\$ 51,556,953

See notes to financial statements

CITY OF FLORENCE, OREGON

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2023

	General	Street	Florence Urban Renewal Agency	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,295,505	\$ 592,883	\$ 906,130	\$ 574,909	\$ 1,176,625	\$ 6,546,052
Receivables, net	613,284	161,077	29,823	289,046	231,922	1,325,152
Inventory	-	38,612	-	-	-	38,612
Prepaid items	173,978	-	-	-	-	173,978
Lease receivable	111,498	-	-	-	-	111,498
Notes receivable	-	-	-	225,000	-	225,000
Total assets	\$ 4,194,265	\$ 792,572	\$ 935,953	\$ 1,088,955	\$ 1,408,547	\$ 8,420,292
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 383,331	\$ 12,501	\$ 330	\$ -	\$ 36,839	\$ 433,001
Retainage payable	-	49,104	-	-	-	49,104
Deposits	-	20,000	-	-	-	20,000
Unearned revenue	-	-	-	-	554,174	554,174
Total liabilities	383,331	81,605	330	-	591,013	1,056,279
Deferred inflows of resources						
Unavailable revenue - property taxes	89,273	-	20,784	-	-	110,057
Unavailable revenue - SDC and assessments	127,276	-	-	514,046	-	641,322
Unavailable revenue - other	2,925	37,688	-	-	144,549	185,162
Leases	111,498	-	-	-	-	111,498
Total deferred inflows of resources	330,972	37,688	20,784	514,046	144,549	1,048,039
Fund balances						
Nonspendable	173,978	38,612	-	-	-	212,590
Restricted:						
Public safety	-	-	-	-	630,245	630,245
Tourism	-	-	-	-	24,097	24,097
Urban renewal projects	-	-	914,839	-	-	914,839
Transportation	-	526,244	-	-	-	526,244
System development	-	108,423	-	-	-	108,423
Debt service	-	-	-	574,909	-	574,909
Specific purpose grants	-	-	-	-	18,643	18,643
Unassigned	3,305,984	-	-	-	-	3,305,984
Total fund balances	3,479,962	673,279	914,839	574,909	672,985	6,315,974
Total liabilities, deferred inflows of resources and fund balances	\$ 4,194,265	\$ 792,572	\$ 935,953	\$ 1,088,955	\$ 1,408,547	\$ 8,420,292

See notes to financial statements

CITY OF FLORENCE, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds	\$ 6,315,974	
Internal balances result from the allocation of the activity in the internal service fund to the governmental and business-type activities		317,625
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		26,381,934
The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS retirement plan.		75,941
Other long-term assets that are not available to pay for current period expenditures and therefore, are deferred or unavailable revenue in the funds.		
Unavailable revenue - property taxes	110,057	
Unavailable revenue - SDC, assessments and other	<u>826,484</u>	
		936,541
Deferred outflows related to the pension and OPEB are not financial resources, and therefore, are not reported in the funds.		
Deferred outflows of resources - pension	1,815,279	
Deferred outflows of resources - OPEB	<u>62,671</u>	
		1,877,950
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(10,699,868)	
Unamortized premium on bonds payable	(11,527)	
Leases	(88,234)	
Net pension liability	(3,785,680)	
Total OPEB liability	(193,680)	
Compensated absences	(330,306)	
Accrued interest payable	(54,314)	
Deferred inflows of resources - pension	(1,316,571)	
Deferred inflows of resources - OPEB	<u>(63,205)</u>	
		<u>(16,543,385)</u>
Net position of governmental activities		<u>\$ 19,362,580</u>

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Street	Florence Urban Renewal Agency	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 3,075,653	\$ -	\$ 765,660	\$ -	\$ 473,740	\$ 4,315,053
Franchise fees	1,003,839	120,253	-	-	-	1,124,092
Licenses, permits and fees	413,686	-	-	-	-	413,686
Fines and forfeitures	156,064	-	-	-	-	156,064
Charges for services	2,120,780	507,441	-	-	150,797	2,779,018
Intergovernmental	940,482	811,519	200,706	-	310,617	2,263,324
Interest	82,385	24,001	23,495	30,122	28,496	188,499
Miscellaneous	81,598	2,245	8	203,733	169	287,753
Total revenues	<u>7,874,487</u>	<u>1,465,459</u>	<u>989,869</u>	<u>233,855</u>	<u>963,819</u>	<u>11,527,489</u>
Expenditures						
Current						
Administration	2,745,791	-	-	-	189,666	2,935,457
Community development	1,010,024	-	238,365	-	-	1,248,389
Public safety	2,782,652	-	-	-	827,996	3,610,648
Parks	352,913	-	-	-	-	352,913
Transportation	-	946,471	-	-	-	946,471
Non-departmental	147,937	-	-	602	-	148,539
Debt service						
Principal	-	-	-	691,413	-	691,413
Interest	-	-	-	361,413	-	361,413
Capital outlay	284,890	539,343	44,455	-	5,530	874,218
Total expenditures	<u>7,324,207</u>	<u>1,485,814</u>	<u>282,820</u>	<u>1,053,428</u>	<u>1,023,192</u>	<u>11,169,461</u>
Excess (deficiency) of revenues over expenditures	<u>550,280</u>	<u>(20,355)</u>	<u>707,049</u>	<u>(819,573)</u>	<u>(59,373)</u>	<u>358,028</u>
Other financing sources (uses)						
Issuance of long-term obligations	-	640,700	-	-	-	640,700
Transfers in	435,100	137,000	-	937,485	547,000	2,056,585
Transfers out	(602,554)	(413,477)	(468,454)	-	(1,254,460)	(2,738,945)
Total other financing sources (uses)	<u>(167,454)</u>	<u>364,223</u>	<u>(468,454)</u>	<u>937,485</u>	<u>(707,460)</u>	<u>(41,660)</u>
Net change in fund balances	382,826	343,868	238,595	117,912	(766,833)	316,368
Fund balances at beginning of year	3,097,136	329,411	676,244	456,997	511,218	5,071,006
Prior period adjustment - Note 3	-	-	-	-	928,600	928,600
Fund balances at beginning of year, as restated	<u>3,097,136</u>	<u>329,411</u>	<u>676,244</u>	<u>456,997</u>	<u>1,439,818</u>	<u>5,999,606</u>
Fund balances at end of year	<u>\$ 3,479,962</u>	<u>\$ 673,279</u>	<u>\$ 914,839</u>	<u>\$ 574,909</u>	<u>\$ 672,985</u>	<u>\$ 6,315,974</u>

See notes to financial statements

CITY OF FLORENCE, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	316,368
<p>Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:</p>		
Acquisition of capital assets		872,623
Depreciation and amortization		<u>(1,333,420)</u>
		(460,797)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(156,014)
The changes in net pension liability (asset) and deferred inflows and outflows are reported as pension expense on the statement of activities.		(171,427)
The changes in other postemployment benefit liability (asset) and deferred outflows are reported as other postemployment benefit expense on the statement of activities.		13,312
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond premiums		957
Change in accrued interest payable		146
Change in compensated absences		<u>(14,214)</u>
		(13,111)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Issuance of notes		(640,700)
Lease principal payments		43,825
Bond and note principal payments		<u>691,413</u>
		<u>94,538</u>
Change in Net Position of Governmental Activities	\$	<u>(377,131)</u>

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities					Internal Service	
	Water	Wastewater	Stormwater	Airport	Nonmajor Events Center	Total Enterprise Funds	Public Works
ASSETS							
Current assets							
Cash and cash equivalents	\$ 3,690,138	\$ 6,464,656	\$ 1,412,417	\$ 157,779	\$ 503,906	\$ 12,228,896	\$ 871,755
Receivables, net	315,145	403,940	71,076	135,907	54,826	980,894	175
Inventory	86,091	15,875	-	20,824	-	122,790	-
Prepaid items	-	-	-	-	299	299	-
Current portion of lease receivable	8,359	-	-	15,391	-	23,750	-
Total current assets	<u>4,099,733</u>	<u>6,884,471</u>	<u>1,483,493</u>	<u>329,901</u>	<u>559,031</u>	<u>13,356,629</u>	<u>871,930</u>
Noncurrent assets							
Capital assets:							
Capital assets, nondepreciable	174,628	435,648	35,659	1,365,074	236,584	2,247,593	4,411
Capital assets, net of accumulated depreciation	<u>9,931,302</u>	<u>14,220,075</u>	<u>2,370,517</u>	<u>2,373,884</u>	<u>1,327,071</u>	<u>30,222,849</u>	<u>3,936,439</u>
Total capital assets	10,105,930	14,655,723	2,406,176	3,738,958	1,563,655	32,470,442	3,940,850
Lease receivable	85,275	-	-	282,494	-	367,769	-
Net OPEB asset	<u>5,730</u>	<u>6,180</u>	<u>3,094</u>	<u>-</u>	<u>1,613</u>	<u>16,617</u>	<u>10,143</u>
Total noncurrent assets	<u>10,196,935</u>	<u>14,661,903</u>	<u>2,409,270</u>	<u>4,021,452</u>	<u>1,565,268</u>	<u>32,854,828</u>	<u>3,950,993</u>
Total assets	<u>14,296,668</u>	<u>21,546,374</u>	<u>3,892,763</u>	<u>4,351,353</u>	<u>2,124,299</u>	<u>46,211,457</u>	<u>4,822,923</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension related items	136,964	147,725	73,965	-	38,545	397,199	242,454
Other postemployment benefit related items	<u>4,729</u>	<u>5,100</u>	<u>2,554</u>	<u>-</u>	<u>1,331</u>	<u>13,714</u>	<u>8,371</u>
Total deferred outflows of resources	<u>141,693</u>	<u>152,825</u>	<u>76,519</u>	<u>-</u>	<u>39,876</u>	<u>410,913</u>	<u>250,825</u>
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	53,009	30,597	2,515	3,414	16,045	105,580	37,137
Accrued interest payable	17,943	30,715	2,853	-	-	51,511	7,452
Retainage payable	74,348	-	5,223	-	-	79,571	-
Compensated absences	25,171	21,394	7,334	-	9,143	63,042	68,157
Current portion of lease payable	792	2,462	-	-	-	3,254	-
Current portion of bonds and notes payable	201,012	541,624	37,937	-	-	780,573	170,083
Current portion of total OPEB liability	<u>1,977</u>	<u>2,132</u>	<u>1,068</u>	<u>-</u>	<u>556</u>	<u>5,733</u>	<u>3,500</u>
Total current liabilities	<u>374,252</u>	<u>628,924</u>	<u>56,930</u>	<u>3,414</u>	<u>25,744</u>	<u>1,089,264</u>	<u>286,329</u>
Noncurrent liabilities							
Lease payable	601	1,867	-	-	-	2,468	-
Bonds and notes payable	4,583,861	7,562,651	733,944	-	-	12,880,456	2,657,145
Net pension liability	285,632	308,073	154,250	-	80,383	828,338	505,626
Total OPEB liability	<u>12,636</u>	<u>13,629</u>	<u>6,824</u>	<u>-</u>	<u>3,557</u>	<u>36,646</u>	<u>22,369</u>
Total noncurrent liabilities	<u>4,882,730</u>	<u>7,886,220</u>	<u>895,018</u>	<u>-</u>	<u>83,940</u>	<u>13,747,908</u>	<u>3,185,140</u>
Total liabilities	<u>5,256,982</u>	<u>8,515,144</u>	<u>951,948</u>	<u>3,414</u>	<u>109,684</u>	<u>14,837,172</u>	<u>3,471,469</u>
DEFERRED INFLOW OF RESOURCES							
Leases	91,402	-	-	297,885	-	389,287	-
Pension related items	99,336	107,141	53,644	-	27,955	288,076	175,845
Other postemployment benefit related items	<u>4,769</u>	<u>5,143</u>	<u>2,575</u>	<u>-</u>	<u>1,342</u>	<u>13,829</u>	<u>8,442</u>
Total deferred inflows of resources	<u>195,507</u>	<u>112,284</u>	<u>56,219</u>	<u>297,885</u>	<u>29,297</u>	<u>691,192</u>	<u>184,287</u>
NET POSITION							
Net investment in capital assets	7,097,314	10,536,130	2,126,643	3,738,958	1,563,655	25,062,700	1,400,881
Restricted for:							
System development	312,269	541,549	202,357	-	-	1,056,175	-
Net OPEB benefits	5,730	6,180	3,094	-	1,613	16,617	10,143
Unrestricted	<u>1,570,559</u>	<u>1,987,912</u>	<u>629,021</u>	<u>311,096</u>	<u>459,926</u>	<u>4,958,514</u>	<u>6,968</u>
Total net position	<u>\$ 8,985,872</u>	<u>\$ 13,071,771</u>	<u>\$ 2,961,115</u>	<u>\$ 4,050,054</u>	<u>\$ 2,025,194</u>	<u>\$ 31,094,006</u>	<u>\$ 1,417,992</u>

Reconciliation to business-type activities:

Adjustment to reflect internal service fund balances
related to business-type activities 1,100,367

Net position of business-type activities \$ 32,194,373

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities					Internal Service	
	Water	Wastewater	Stormwater	Airport	Nonmajor Events Center	Total Enterprise Funds	Public Works
Operating revenues							
Charges for services	\$ 2,384,282	\$ 3,708,293	\$ 589,902	\$ 89,691	\$ 388,570	\$ 7,160,738	\$ 1,641,621
Total operating revenues	<u>2,384,282</u>	<u>3,708,293</u>	<u>589,902</u>	<u>89,691</u>	<u>388,570</u>	<u>7,160,738</u>	<u>1,641,621</u>
Operating expenses							
Personnel services	445,614	401,107	245,536	-	276,401	1,368,658	740,275
Materials and services	1,627,889	1,995,654	312,865	209,614	823,060	4,969,082	393,146
Depreciation and amortization	607,950	1,038,659	113,405	190,209	129,250	2,079,473	190,388
Total operating expenses	<u>2,681,453</u>	<u>3,435,420</u>	<u>671,806</u>	<u>399,823</u>	<u>1,228,711</u>	<u>8,417,213</u>	<u>1,323,809</u>
Operating income (loss)	<u>(297,171)</u>	<u>272,873</u>	<u>(81,904)</u>	<u>(310,132)</u>	<u>(840,141)</u>	<u>(1,256,475)</u>	<u>317,812</u>
Nonoperating revenues (expenses)							
Grants	-	-	-	112,797	149,745	262,542	250,000
Interest income	39,296	74,647	25,257	16,354	15,063	170,617	13,755
Miscellaneous	36,744	37,419	2,078	52,347	144,087	272,675	30,249
Interest expense	(77,809)	(81,039)	(10,728)	-	-	(169,576)	(77,965)
Total nonoperating revenues (expenses)	<u>(1,769)</u>	<u>31,027</u>	<u>16,607</u>	<u>181,498</u>	<u>308,895</u>	<u>536,258</u>	<u>216,039</u>
Income (loss) before capital contributions and transfers	<u>(298,940)</u>	<u>303,900</u>	<u>(65,297)</u>	<u>(128,634)</u>	<u>(531,246)</u>	<u>(720,217)</u>	<u>533,851</u>
Capital contributions	156,646	207,084	69,191	-	-	432,921	-
Transfers in	134,491	-	-	48,000	499,869	682,360	-
Change in net position	<u>(7,803)</u>	<u>510,984</u>	<u>3,894</u>	<u>(80,634)</u>	<u>(31,377)</u>	<u>395,064</u>	<u>533,851</u>
Net position at beginning of year	8,993,675	12,560,787	2,838,597	4,130,688	2,056,571	30,580,318	884,141
Prior period adjustment - Note 3	-	-	118,624	-	-	118,624	-
Net position at beginning of year, as restated	<u>8,993,675</u>	<u>12,560,787</u>	<u>2,957,221</u>	<u>4,130,688</u>	<u>2,056,571</u>	<u>30,698,942</u>	<u>884,141</u>
Net position at end of year	\$ 8,985,872	\$ 13,071,771	\$ 2,961,115	\$ 4,050,054	\$ 2,025,194	\$ 31,094,006	\$ 1,417,992

Reconciliation to business-type activities:

Change in net position - total enterprise funds	\$ 395,064
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	<u>216,226</u>
Change in net position of the business-type activities	\$ 611,290

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities					Internal Service	
	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Airport</u>	<u>Nonmajor Events Center</u>	<u>Total Enterprise Funds</u>	<u>Public Works</u>
Cash flows from operating activities							
Receipts from customers and users	\$ 2,365,781	\$ 3,690,664	\$ 591,792	\$ 87,802	\$ 333,744	\$ 7,069,783	\$ 1,641,446
Payments to suppliers	(1,684,389)	(2,068,262)	(322,360)	(213,627)	(830,168)	(5,118,806)	(358,798)
Payments to employees	(428,072)	(466,399)	(238,927)	-	(294,434)	(1,427,832)	(772,058)
Net cash provided by (used in) operating activities	<u>253,320</u>	<u>1,156,003</u>	<u>30,505</u>	<u>(125,825)</u>	<u>(790,858)</u>	<u>523,145</u>	<u>510,590</u>
Cash flows from noncapital financing activities							
Payments on interfund loan	-	-	-	(177,276)	-	(177,276)	-
Other receipts	35,833	37,419	2,078	59,625	144,087	279,042	30,249
Transfers in	134,491	-	-	48,000	499,869	682,360	-
Net cash provided by (used in) noncapital financing activities	<u>170,324</u>	<u>37,419</u>	<u>2,078</u>	<u>(69,651)</u>	<u>643,956</u>	<u>784,126</u>	<u>30,249</u>
Cash flows from capital and related financing activities							
System development charges received	80,668	138,285	51,621	-	-	270,574	-
Grants	-	-	-	469,510	149,745	619,255	250,000
Acquisition of capital assets	(360,156)	(1,021,281)	(35,659)	(125,331)	(31,997)	(1,574,424)	(164,586)
Issuance of long-term obligations	3,375,000	5,119,900	600,000	-	-	9,094,900	398,400
Principal paid on long-term obligations	(98,040)	(285,905)	(17,500)	-	-	(401,445)	(144,539)
Interest paid on long-term obligations	(64,163)	(63,311)	(9,131)	-	-	(136,605)	(76,773)
Net cash provided by (used in) capital and related financing activities	<u>2,933,309</u>	<u>3,887,688</u>	<u>589,331</u>	<u>344,179</u>	<u>117,748</u>	<u>7,872,255</u>	<u>262,502</u>
Cash flows from investing activities							
Interest on investments	37,975	74,647	25,257	9,076	15,063	162,018	13,755
Net cash provided by (used in) investing activities	<u>37,975</u>	<u>74,647</u>	<u>25,257</u>	<u>9,076</u>	<u>15,063</u>	<u>162,018</u>	<u>13,755</u>
Net increase (decrease) in cash and cash equivalents	3,394,928	5,155,757	647,171	157,779	(14,091)	9,341,544	817,096
Cash and cash equivalents at beginning of year	295,210	1,308,899	765,246	-	517,997	2,887,352	54,659
Cash and cash equivalents at end of year	<u>\$ 3,690,138</u>	<u>\$ 6,464,656</u>	<u>\$ 1,412,417</u>	<u>\$ 157,779</u>	<u>\$ 503,906</u>	<u>\$ 12,228,896</u>	<u>\$ 871,755</u>
Reconciliation of operating income (loss) to net cash provide by (used in) operating activities							
Operating income (loss)	\$ (297,171)	\$ 272,873	\$ (81,904)	\$ (310,132)	\$ (840,141)	\$ (1,256,475)	\$ 317,812
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation and amortization	607,950	1,038,659	113,405	190,209	129,250	2,079,473	190,388
(Increase) decrease in assets and deferred outflows:							
Receivables, net	(18,501)	(17,629)	1,890	(1,889)	(54,826)	(90,955)	(175)
Inventories	(52,691)	(154)	-	2,542	-	(50,303)	-
Net OPEB asset	(1,907)	(949)	(1,034)	-	(144)	(4,034)	(2,469)
Deferred outflows - Pension related items	(10,963)	24,702	(6,050)	-	9,892	17,581	10,491
Deferred outflows - OPEB related items	(712)	397	(389)	-	213	(491)	(306)
Increase (decrease) in liabilities and deferred inflows:							
Accounts payable and accrued liabilities	(3,026)	(70,405)	(9,495)	(6,555)	(7,108)	(96,589)	34,348
Compensated absences liability	5,397	(7,432)	(200)	-	3,762	1,527	4,799
Lease payable	(783)	(2,049)	-	-	-	(2,832)	-
Net pension liability	89,447	39,603	48,506	-	4,966	182,522	111,787
Total OPEB liability	(212)	(4,526)	(99)	-	(1,586)	(6,423)	(3,892)
Deferred inflows - Pension related items	(65,342)	(118,214)	(35,118)	-	(35,350)	(254,024)	(154,744)
Deferred inflows - OPEB related items	1,834	1,127	993	-	214	4,168	2,551
Net cash provided by (used in) operating activities	<u>\$ 253,320</u>	<u>\$ 1,156,003</u>	<u>\$ 30,505</u>	<u>\$ (125,825)</u>	<u>\$ (790,858)</u>	<u>\$ 523,145</u>	<u>\$ 510,590</u>

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 61,028
Total assets	<u>61,028</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>61,028</u>
Total net position	<u>\$ 61,028</u>

See notes to financial statements.

CITY OF FLORENCE, OREGON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Fees and assessments collected for other governments	\$ 211,472
Victim restitution	5,975
Unapplied bonds	4,538
Total additions	221,985
DEDUCTIONS	
Fees and assessments distributed to other governments	201,297
Victim restitution payments	1,574
Bond refunds	4,104
Total deductions	206,975
Change in net position	15,010
Net position at beginning of year	46,018
Net position at end of year	\$ 61,028

See notes to financial statements.

NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Florence, Oregon (the “City”) was incorporated under the general laws of the State of Oregon. The City is governed by the Mayor and Council Members who are elected to office by voters within the City. The City Council exercises supervisory responsibilities over City operations, but day-to-day management operations are the responsibility of the City Manager, who reports to the Mayor and City Council.

The accompanying financial statements present all activities, funds and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the City is a primary government with one blended component unit — Florence Urban Renewal Agency.

Blended Component Unit

The Florence Urban Renewal Agency (the “Agency”) was established in 2006 under the provisions of Oregon Revised Statutes (ORS), Chapter 457. The Agency was formed to plan, direct and manage certain projects within the City. Pursuant to ORS 457.055 and under Lane County’s order No. 86-8-27-1H, the City Council has appointed a nine-member board as the governing body for the Agency. The Agency was formed by the City as a separate legal entity to implement programs in the revitalization plan of the City. Upon completion, all projects constructed become assets of the City. The Agency is a blended component unit of the City and is reported as special revenue fund in the City’s basic financial statements. Separate financial statements of the Agency can be obtained from the City’s Finance Department or viewed on the City’s website.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from *nonoperating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the current fiscal year-end. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes, franchise fees, assessment liens, and federal and state grants. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, long-term leases and claims and judgments, are recorded only when payment is due.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major governmental funds:

- *General Fund* – is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- *Streets Program* – This program reports activity from the following budgeted funds:
 - *Street Fund* – was established as a requirement of Oregon Revised Statutes 366.815. Monies received from the State of Oregon (gasoline tax apportionment), the City’s street maintenance fee, and grants are the major sources of revenue. These monies are to be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, sidewalks, bike lanes and paths.
 - *Street System Development Fund* – accounts for major street improvements. The primary source of revenues is street system development charges on new construction within the City. The use of these funds is restricted by State statute and City ordinance.
- *Florence Urban Renewal Agency Fund* – accounts for the activities associated with the City’s Urban Renewal Plan. The primary resources are debt proceeds, grants, and developer contributions.
- *Debt Service Fund* – accounts for special assessment revenue from a local improvement district (LID) and principal and interest payment activity.

The City reports the following major proprietary funds:

- *Water Operations* – This program reports activity from the following budgeted funds:
 - *Water Fund* - accounts for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Water System Development Fund* – accounts for monies accumulated from water system development charges for facility explanation or improvement. The use of these funds is restricted by State statute and City ordinance.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

- *Wastewater Operations* – This program reports activity from the following budgeted funds:
 - *Wastewater Fund* – accounts for the provision of wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the wastewater system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Wastewater System Development Fund* - accounts for monies accumulated from wastewater system development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.
- *Stormwater Operations* – This program reports activity from the following budgeted funds:
 - *Stormwater Fund* – accounts for the provision of storm drainage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the storm drainage system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Stormwater System Development Fund* - accounts for monies accumulated from stormwater system development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.
- *Airport Fund* – accounts for all activities of the City’s municipal airport. Expenses include facility and grounds maintenance, aviation fuel, and capital investment. The primary source of revenues are fuel sales, ground leases, land sales, and intergovernmental grants.

The City also reports the following nonmajor governmental and proprietary fund types:

- *Special Revenue* – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.
- *Enterprise* – accounts for the operations of predominately self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.
- *Internal Service* – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.
- *Fiduciary* – custodial funds account for resources received and held in a fiduciary capacity for the municipal court. This fund accounts for the fees and assessments related to court assessments collected on behalf of other governments, as well as money received from parolees making restitution, restitution payments to victims and restitution forfeitures.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

Receivables

Uncollected property taxes are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue.

Property taxes - Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed as of January 1 and become a lien against the property as of July 1 of each year on all taxable property. Property taxes are due and payable in three installments following the lien date on November 15, February 15 and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

User charges receivable - User charges receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off or establishes an allowance, as of year-end, for all balances that have not been collected by the time the financial statements are issued.

Lease receivable - Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

Inventories and prepaid items

Inventories are valued at cost, on a first-in, first-out basis and consist of materials and supplies maintained for system maintenance and operation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government and fund financial statements.

Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, storm sewers, sewers and similar items) and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the statement of net position in the proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or more and having an estimated useful life extending beyond a single reporting period. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (continued)

The cost of normal maintenance and repairs that do not add to the value or materially extend the useful lives of the assets are not capitalized. Major capital assets and improvements are capitalized as projects are constructed.

Depreciation expense is allocated in the statement activities by program/function. Capital assets are depreciated using the straight-line method over estimated useful lives as follows:

Asset Type	Useful Life
Buildings	40 years
Improvements	25 years
Infrastructure	25 - 40 years
Vehicles	5 years
Furniture and equipment	5 years

Depreciation is recorded in the year the assets are acquired or retire from the date of acquisition or to the date of disposition. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the operations of the current period.

Lease assets - Lease assets are asset which the City leases for a term of more than one year. The value of leases is determined by the net present value of the leases using the interest rate implicit in the lease or, if not determinable, at the City’s incremental borrowing rate at the time of the lease agreement and are amortized over the term of the agreement.

Long-term liabilities

In the government-wide and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Premiums, discounts and deferred amounts on refunding are amortized over the life of the related debt issue. Bond and note payable is reported net of the unamortized bond premium or discount.

In the governmental fund financial statements, the present value of the lease payments, the face amount of the debt issues and premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as debt service expenditures.

Compensated absences

Compensated absences, such as vacation and compensation time, are accrued as they are earned. For governmental funds, compensated absences is maintained separately and represents a reconciling item between fund level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability of the fund that will pay it.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits

For purposes of measuring the other postemployment benefit (OPEB) asset and liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the OPERS Retirement Health Insurance Account (RHIA) and the Implicit Rate Subsidy and additions to/deductions from the RHIA and Implicit Rate Subsidy's fiduciary net position have been determined on the same basis as they are reported by OPERS and the Implicit Rate Subsidy. For this purpose, the benefit payments of both plans are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred outflow / inflows of resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide and the proprietary fund statements report deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statements of net position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The balance sheet of governmental funds will report deferred inflows related to unavailable revenues, which are deferred and recognized as an inflow of resources in the period that the amounts become available, as well as leases. The government-wide and the proprietary fund statements report deferred outflows of resources related to leases, pensions and OPEB.

Net position

Government-wide and proprietary fund financial statements

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position (continued)

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are reported as “unrestricted net position.”

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Unassigned – The residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker’s compensation for which the City carries commercial insurance. The City participates in the County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage. Predetermined limits and deductible amounts are stated in the policy. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

NOTE 3 – RESTATEMENT OF BEGINNING BALANCES

The beginning net position of governmental activities and the beginning fund balance of the ARPA Fund have been increased \$928,600 to correct an error in the revenue that was recognized in the year ended June 30, 2022, under the American Rescue Plan Act.

The beginning net position in the Stormwater Fund has been increased \$118,624 to correct an error related to accumulated depreciation that was recognized in prior years.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2023, the City’s cash, cash equivalents and investments are as follows:

Deposits with financial institutions	\$ 346,808
State of Oregon Local Government Investment Pool	19,358,973
Cash on hand	<u>1,950</u>
Total cash and cash equivalents	<u><u>\$19,707,731</u></u>

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The City maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and cash equivalents balances.

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2023, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit Risk. Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

State of Oregon Local Government Investment Pool (continued)

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 5 – RECEIVABLES

The City's receivables at June 30, 2023, are as follows:

	Governmental Activities / Funds					Totals
	General	Street	Urban Renewal Agency	Debt Service	Nonmajor Governmental Funds	
Accounts	\$ 176,849	\$ 79,922	\$ 3,887	\$ -	\$ 231,922	\$ 492,580
User charges	-	42,706	-	-	-	42,706
Assessments	127,276	17,334	-	289,046	-	433,656
Property taxes	118,460	-	25,936	-	-	144,396
System development charges	-	21,348	-	-	-	21,348
Grants	190,699	-	-	-	-	190,699
Allowance for doubtful accounts	-	(233)	-	-	-	(233)
Total	\$ 613,284	\$ 161,077	\$ 29,823	\$ 289,046	\$ 231,922	\$ 1,325,152

	Business-Type Activities / Proprietary Funds						Totals
	Water	Wastewater	Stormwater	Airport	Nonmajor Events Center	Internal Service Public Works	
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 54,826	\$ 175	\$ 55,001
System development charges	75,978	68,799	17,570	-	-	-	162,347
Grants	-	-	-	134,018	-	-	134,018
User charges	240,491	337,112	53,755	1,889	-	-	633,247
Allowance for doubtful accounts	(1,324)	(1,971)	(249)	-	-	-	(3,544)
Total	\$ 315,145	\$ 403,940	\$ 71,076	\$ 135,907	\$ 54,826	\$ 175	\$ 981,069

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LEASE RECEIVABLES

	Balance at July 1, 2022	Additions	Payments	Balance at June 30, 2023
<i>Governmental activities:</i>				
Commercial ground leases Interest between 2.38% and 3.61%, total annual principal and interest payments range from \$4,500 to \$12,100, due 2031	\$ 123,812	\$ 5,238	\$ 17,552	\$ 111,498
	<u>123,812</u>	<u>5,238</u>	<u>17,552</u>	<u>111,498</u>
	Balance at July 1, 2022	Additions	Payments	Balance at June 30, 2023
<i>Business-type activities:</i>				
Airport building leases Interest between 2.11% and 3.37%, total annual principal and interest payments range from \$3,726 to \$20,571, due 2044	\$ 310,734	\$ -	\$ 12,849	\$ 297,885
	<u>310,734</u>	<u>-</u>	<u>12,849</u>	<u>297,885</u>
Water tower leases Interest between 1.38% and 1.83%, total annual principal and interest payments range from \$29,000 to \$34,500, due 2032	90,694	10,964	8,024	93,634
	<u>90,694</u>	<u>10,964</u>	<u>8,024</u>	<u>93,634</u>
Total business-type activities	<u>\$ 401,428</u>	<u>\$ 10,964</u>	<u>\$ 20,873</u>	<u>\$ 391,519</u>

As of June 30, 2023, the future maturities of lease receivables are as follows:

Fiscal Year	Governmental activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 14,285	\$ 3,674	\$ 25,672	\$ 8,360
2025	14,396	3,226	22,844	7,917
2026	14,869	2,753	23,598	7,460
2027	15,358	2,263	24,375	6,989
2028	15,865	1,757	25,125	6,504
2029-2033	36,725	2,174	114,938	25,221
2034-2038	-	-	79,088	15,038
2039-2043	-	-	64,061	5,816
2044	-	-	11,818	399
	<u>-</u>	<u>-</u>	<u>11,818</u>	<u>399</u>
Total	<u>\$ 111,498</u>	<u>\$ 15,847</u>	<u>\$ 391,519</u>	<u>\$ 83,704</u>

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 2,031,030	\$ 2,996	\$ -	\$ 2,034,026
Construction in progress	1,012,104	566,882	791,145	787,841
Total capital Assets, not being depreciated	<u>3,043,134</u>	<u>569,878</u>	<u>791,145</u>	<u>2,821,867</u>
Capital assets being depreciated				
Buildings and improvements	12,485,763	30,000	-	12,515,763
Vehicles and equipment	3,215,293	232,298	-	3,447,591
Infrastructure	24,652,294	831,592	-	25,483,886
Right-to-use lease equipment	244,748	-	-	244,748
Total capital assets being depreciated	<u>40,598,098</u>	<u>1,093,890</u>	<u>-</u>	<u>41,691,988</u>
Less accumulated depreciation for:				
Buildings and improvements	5,244,140	333,133	-	5,577,273
Vehicles and equipment	2,521,643	187,440	-	2,709,083
Infrastructure	8,918,186	770,000	-	9,688,186
Right-to-use lease equipment	114,532	42,847	-	157,379
Total accumulated depreciation	<u>16,798,501</u>	<u>1,333,420</u>	<u>-</u>	<u>18,131,921</u>
Total capital assets being depreciated, net	<u>23,799,597</u>	<u>(239,530)</u>	<u>-</u>	<u>23,560,067</u>
Governmental activities capital assets, net	<u>\$ 26,842,731</u>	<u>\$ 330,348</u>	<u>\$ 791,145</u>	<u>\$ 26,381,934</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Land	\$ 1,868,428	\$ -	\$ -	\$ 1,868,428
Construction in progress	902,982	394,019	913,425	383,576
Total capital assets, not being depreciated	<u>2,771,410</u>	<u>394,019</u>	<u>913,425</u>	<u>2,252,004</u>
Capital assets being depreciated				
Buildings and improvements	33,968,266	43,840	-	34,012,106
Utility systems	18,881,485	1,226,045	-	20,107,530
Vehicles and equipment	5,627,190	856,854	-	6,484,044
Infrastructure	11,382,183	136,026	-	11,518,209
Right-to-use lease equipment	15,356	-	-	15,356
Total capital assets being depreciated, net	<u>69,874,480</u>	<u>2,262,765</u>	<u>-</u>	<u>72,137,245</u>
Less accumulated depreciation for:				
Buildings and improvements	18,691,362	885,784	-	19,577,146
Utility systems	9,610,153	441,164	-	10,051,317
Vehicles and equipment	3,832,589	441,634	-	4,274,223
Infrastructure	3,567,082	498,503	-	4,065,585
Right-to-use lease equipment	6,910	2,776	-	9,686
Total accumulated depreciation	<u>35,708,096</u>	<u>2,269,861</u>	<u>-</u>	<u>37,977,957</u>
Total capital assets being depreciated, net	<u>34,166,384</u>	<u>(7,096)</u>	<u>-</u>	<u>34,159,288</u>
Business-type activities capital assets, net	<u>\$ 36,937,794</u>	<u>\$ 386,923</u>	<u>\$ 913,425</u>	<u>\$ 36,411,292</u>

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

<i>Governmental activities</i>	
Administration	\$ 124,531
Community development	24,195
Public safety	202,993
Parks	51,045
Transportation	671,774
Non-departmental	<u>258,882</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 1,333,420</u>
 <i>Business-type activities</i>	
Water	\$ 607,950
Wastewater	1,038,659
Stormwater	113,405
Airport	190,209
Events center	129,250
Public works admin	<u>190,388</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 2,269,861</u>

NOTE 8 – LONG-TERM LIABILITIES

For the year ended June 30, 2023, changes in long-term liabilities were as follows:

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Due Within One Year
<i>Governmental activities</i>					
Long-term debt					
Bonds payable	\$ 1,518,061	\$ -	\$ 134,184	\$ 1,383,877	\$ 141,327
Unamortized bond premium	<u>12,484</u>	-	<u>957</u>	<u>11,527</u>	<u>1,289</u>
Total bonds payable	1,530,545	-	135,141	1,395,404	142,616
Notes from direct borrowings	9,232,520	640,700	557,229	9,315,991	774,740
Leases	<u>132,059</u>	-	<u>43,825</u>	<u>88,234</u>	<u>36,122</u>
Total long-term debt	10,895,124	640,700	736,195	10,799,629	953,478
Compensated absences	316,092	349,285	335,071	330,306	330,306
Net pension liability	2,602,477	1,183,203	-	3,785,680	-
Total OPEB liability	<u>196,656</u>	-	<u>2,976</u>	<u>193,680</u>	<u>26,201</u>
Total long-term liabilities - governmental activities	<u>\$14,010,349</u>	<u>\$ 2,173,188</u>	<u>\$ 1,074,242</u>	<u>\$15,109,295</u>	<u>\$ 1,309,985</u>

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Due Within One Year
<i>Business-type activities</i>					
Long-term debt					
Bonds payable	\$ 791,939	\$ -	\$ 75,817	\$ 716,122	\$ 78,673
Unamortized bond premium	16,465	-	1,516	14,949	1,673
Total bonds payable	<u>808,404</u>	<u>-</u>	<u>77,333</u>	<u>731,071</u>	<u>80,346</u>
Notes from direct borrowings	6,734,054	9,493,300	470,168	15,757,186	870,310
Unamortized note premium	806	-	806	-	-
Total notes payable	<u>6,734,860</u>	<u>9,493,300</u>	<u>470,974</u>	<u>15,757,186</u>	<u>870,310</u>
Leases	8,554	-	2,832	5,722	3,254
Total long-term debt	7,551,818	9,493,300	551,139	16,493,979	953,910
Compensated absences	124,873	119,031	112,705	131,199	131,199
Net pension liability	1,039,655	294,309	-	1,333,964	-
Total OPEB liability	<u>78,563</u>	<u>-</u>	<u>10,315</u>	<u>68,248</u>	<u>9,233</u>
Total long-term liabilities - business-type activities	<u>\$ 8,794,909</u>	<u>\$ 9,906,640</u>	<u>\$ 674,159</u>	<u>\$ 18,027,390</u>	<u>\$ 1,094,342</u>

Bonds outstanding at June 30, 2023 were as follows:

Purpose	Governmental Activities	Business-Type Activities
During 2010, the City issued \$8,750,000 of full faith and credit refunding obligations debt with \$8,310,000 at 3.064% and \$440,000 at 3.75%. This bond was used to fund projects for governmental funds totaling \$600,000 and enterprise funds totaling \$8,150,000. Bond principal and interest are payable semiannually through December 2030.	\$ 285,000	\$ 380,000
During 2010, the City issued \$1,478,000 of limited tax improvement bonds at 3.81% for Spruce St. LID. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest are payable semiannually through December 2030.	825,000	-
During 2011, the City issued \$1,245,000 of full faith and credit refunding obligations debt at 4.14% for the Local Oregon Capital Asset Program (LOCAP). This bond was used to fund projects for governmental funds totaling \$558,980 and enterprise funds totaling \$686,020. Bond principal and interest are payable semiannually through June 2031.	<u>273,877</u>	<u>336,122</u>
Total bonds outstanding	1,383,877	716,122
Less: current portion	<u>141,327</u>	<u>78,673</u>
Long-term portion	<u>\$ 1,242,550</u>	<u>\$ 637,449</u>

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Direct placement notes payable outstanding at June 30, 2023 were as follows:

Purpose	Governmental Activities	Business-Type Activities
In March 2018, the City received proceeds in the amount of \$3,395,000 from Banner Bank to finance improvements to City Hall, the Justice Center and to purchase land. Principal and interest are payable semiannually at 4.375% through December 2037. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	\$ 2,656,823	\$ -
In June 2019, the City received proceeds in the amount of \$3,150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Principal and interest are payable semiannually at 3.3% through March 2039. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	2,646,792	-
In June 2019, the City received proceeds in the amount of \$150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Interest only payments at 5.3% are required semiannually through March 1, 2024. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	150,000	-
During 2018, the City termed out its tax-exempt non-revolving line of credit with Banner Bank. Annual principal and interest payments are required semiannually. The interest rate for the line of credit is 2.92% through December 15, 2026 at which point the interest rate will become variable, with a maximum rate of 5.25% through December 15, 2031, when the maximum rate increase to 7.2%. The minimum interest rate for years 11 through 20 is 2.75%. The note payable has a scheduled maturity are detailed with the projects below. If an event of default occurs, the Bank may exercise any remedy available at law or in equity but the Note shall not be subject to acceleration. The projects funded and their balances outstanding are as follows:		
<i>Street Project</i> - improvements to City streets and related issuance costs in the original amount of \$1,300,000. This portion of the note matures on December 1, 2026.	498,448	-
<i>Agency</i> - \$3,700,000 was allocated to finance and refinance the projects of the Florence Urban Renewal Agency. This portion of the note matures on December 1, 2036.	2,723,228	-
<i>Water Project</i> - improvements to City's water system and related issuance costs in the original amount of \$1,500,000. This portion of the note matures on December 1, 2036.	-	1,104,040
<i>Facility Project</i> - improvements to City's public works facility and related issuance costs in the original amount of \$3,300,000. This portion of the note matures on December 1, 2036.	-	2,428,828

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Purpose	Governmental Activities	Business-Type Activities
<p>In August 2010, the City entered into a loan agreement with the Oregon Business Development Department (OBDD) to receive a loan in the amount of \$657,057 to permanently finance the Florence Wastewater Transition Line & Intersection Improvements. Loan interest rate is variable between 2% and 4%. Loan principal and interest is payable annually through December 2034. Upon the event of default OBDD may declare the loan immediately due and payable, declare the City ineligible to receive future awards from the OBDD, withhold all or a portion of any amounts otherwise due to the City, or foreclosing liens or security interests upon collateral.</p>	-	313,466
<p>In February 2010, the City entered into an agreement with the State of Oregon Department of Environmental Quality (DEQ) for a loan in the amount of \$4,923,260 to finance rehabilitation to a major wastewater trunk sewer. Loan principal payments commenced upon completion of the project in June 2013. The loan has a 20-year maturity with loan fees of 0.5% of the outstanding balance payable annually. Upon the event of a default, DEQ may declare the loan immediately due and payable, appoint a receiver to operate the facility, set and collect utility rates, direct the State Treasurer to withhold amounts due, or pursue any other legal or equitable remedy it may have.</p>	-	2,417,552
<p>In April 2023, the City entered into an agreement with Banner Bank to to finance equipment and capital project costs across various funds. The agreement totals \$13,634,000 of which \$10,781,600 of the proceeds are tax-exempt and \$2,852,400 are taxable. The agreement includes an option to make periodic draws as needed during the first 24-months. The allocation interest rate and maturity is as follows:</p>		
7-year tax exempt - interest rate of 4.45% maturing December 2030	210,000	596,600
7-year taxable - interest rate of 5.7% maturing December 2030	130,700	521,700
20-year tax exempt - interest rate of 4.55% maturing December 2043	-	6,475,000
20-year taxable - interest rate of 5.7% maturing December 2030	300,000	1,900,000
Total notes outstanding	9,315,991	15,757,186
Less: current portion	774,740	870,310
Long-term portion	\$ 8,541,251	\$ 14,886,876

For the year ended June 30, 2023, the City had authorized \$13,634,000 of long-term debt to finance various projects. Of this amount, the City has drawn down \$12,175,000 and has a remaining \$3,500,000 of available funding that have not yet been issued.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Future maturities of long-term debt

As of June 30, 2023, the future maturities of long-term debt are as follows:

Fiscal Year	Governmental Activities						
	Bonds Payable		Bond Premium	Direct Placement Notes Payable		Total	
	Principal	Interest	Amortization	Principal	Interest	Principal	Interest
2024	\$ 141,327	\$ 54,802	\$ 1,289	\$ 774,740	\$ 314,211	\$ 916,067	\$ 370,302
2025	148,572	49,012	1,304	646,238	284,763	794,810	335,079
2026	153,572	42,930	1,304	667,979	263,021	821,551	307,255
2027	167,959	36,548	1,392	614,984	240,525	782,943	278,465
2028	175,102	29,495	1,464	559,058	220,960	734,160	251,919
2029-2033	597,345	41,298	4,774	2,917,909	807,729	3,515,254	853,801
2034-2038	-	-	-	2,817,763	304,516	2,817,763	304,516
2039-2043	-	-	-	317,320	23,331	317,320	23,331
Total	\$ 1,383,877	\$ 254,085	\$ 11,527	\$ 9,315,991	\$ 2,459,056	\$ 10,699,868	\$ 2,724,668

Fiscal Year	Business-Type Activities						
	Bonds Payable		Bond Premium	Direct Placement Notes Payable		Total	
	Principal	Interest	Amortization	Principal	Interest	Principal	Interest
2024	\$ 78,673	\$ 28,639	\$ 1,673	\$ 870,310	\$ 573,423	\$ 948,983	\$ 603,736
2025	81,428	25,448	1,690	901,625	546,359	983,053	573,497
2026	81,428	22,142	1,690	928,835	518,149	1,010,263	541,981
2027	87,041	18,837	1,804	957,269	488,713	1,044,311	509,354
2028	89,898	15,168	1,901	986,788	458,199	1,076,686	475,268
2029-2033	297,653	22,128	6,191	4,832,703	1,846,795	5,130,356	1,875,114
2034-2038	-	-	-	3,391,835	1,076,735	3,391,835	1,076,735
2039-2043	-	-	-	2,887,821	396,968	2,887,821	396,968
Total	\$ 716,122	\$ 132,362	\$ 14,949	\$ 15,757,186	\$ 5,905,342	\$ 16,473,308	\$ 6,052,653

Leases payable

Leases payable outstanding as of June 30, 2023 are as follows:

	Original Amount	Outstanding July 1, 2022	Additions	Payments	Outstanding June 30, 2023
<u>Governmental activities:</u>					
Copier leases					
Interest between 1.23%, monthly payments of					
principal and interest of \$4,214, due 2025	\$ 244,748	\$ 132,059	\$ -	\$ 43,825	\$ 88,234
					(36,122)
					\$ 52,112
<u>Business-type activities:</u>					
Copier leases					
Interest between 1.23%, monthly payments of					
principal and interest of \$264, due 2025	\$ 15,356	\$ 8,554	\$ -	\$ 2,832	\$ 5,722
					(3,254)
					\$ 2,468

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Future maturities – leases payable

As of June 30, 2023, the future maturities of leases payable are as follows:

Fiscal Year	Governmental activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 52,112	\$ 812	\$ 3,254	\$ 52
2025	36,122	183	2,468	13
Total	<u>\$ 88,234</u>	<u>\$ 995</u>	<u>\$ 5,722</u>	<u>\$ 65</u>

Funds used to liquidate compensated absences, leases, pension and OPEB liabilities include the General, Water, Wastewater, Stormwater, Airport, Event Center and the Internal Service - Public Works Administration Funds.

NOTE 9 – INTERFUND TRANSACTIONS AND BALANCES

During the year ended June 30, 2023, interfund transfers were as follows:

Transfers out:	Transfers in							Totals
	Governmental activities			Business-type activities				
	General	Debt Service	Street	Governmental Nonmajor	Water	Airport	Nonmajor Events Center	
<u>Governmental activities</u>								
General	\$ -	\$ 55,554	\$ -	\$ 547,000	\$ -	\$ -	\$ -	\$ 602,554
Street	-	413,477	-	-	-	-	-	413,477
Urban Renewal Agency	-	468,454	-	-	-	-	-	468,454
Nonmajor Governmental	435,100	-	137,000	-	134,491	48,000	499,869	1,254,460
Totals	<u>\$ 435,100</u>	<u>\$ 937,485</u>	<u>\$ 137,000</u>	<u>\$ 547,000</u>	<u>\$ 134,491</u>	<u>\$ 48,000</u>	<u>\$ 499,869</u>	<u>\$ 2,738,945</u>

Transfers are budgeted and recognized to move financial resources from the Room Tax Fund to the Events Center Fund to fund operations. Additionally, transfers are recorded to move financial resources to the Debt Service Fund to fund the repayment of debt. During the year, transfers were also made between the ARPA Fund and the General, Street, Water, Airport and Events Center Funds to expend American Rescue Plan Act federal money received on allowable costs.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS

Plan description

Employees of the City are provided with pensions through Oregon Public Employees Retirement Systems (OPERS). The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

Plan description (continued)

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

Pension benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP) (continued)

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

Contributions (continued)

Tier 1/Tier 2 employer contribution rates are 16.82%. The OPSRP employer contribution rates are 13.18% for general service employees and 17.54% for police and fire employees. Employer contributions for the year ended June 30, 2023 were \$644,114.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2023, the City reported a liability of \$5,119,644 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2022, the City's proportion was 0.03343549%, which was an increase of 0.00299937% from its proportion measured as of June 30, 2021.

Pension expense

For the year ended June 30, 2023, the City recognized pension expense of \$729,154.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer's proportionate share of system contributions
- Contributions subsequent to the measurement date

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

- Fiscal Year ended June 30, 2022 - 5.5 years
- Fiscal Year ended June 30, 2021 - 5.4 years
- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

Deferred inflows of resources and deferred outflows of resources (Continued)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 248,517	\$ 31,927
Changes in assumptions	803,300	7,339
Net difference between projected and actual earnings on pension plan investments	-	915,293
Changes in proportionate share	759,001	29,702
Differences between contributions and proportionate share of system contributions	-	796,231
Contributions subsequent to the measurement date	644,114	-
	\$ 2,454,932	\$ 1,780,492

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement in the amount of \$644,114 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30:</u>		
2024	\$	29,796
2025		(82,590)
2026		(341,028)
2027		434,125
2028		(9,977)
		\$ 30,326
		\$ 30,326

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2022 was based on an actuarial valuation as of December 31, 2020 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier 1/Tier 2	\$40.9 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (Continued)

Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tire 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation:

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
	100.00%

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary’s capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

Long-Term Expected Rate of Return¹

Asset Class	Target Allocation	Annual	20-Year Annualized	Annual
		Arithmetic Return ²	Geometric Mean	Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multi-strategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ³	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

¹Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation used for determining the collective net pension liability that are expected to have a significant effect on the City’s proportionate share of the collective net pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1% Lower	Current Discount Rate	1% Higher
Proportionate share of net pension liability	\$ 9,079,246	\$ 5,119,644	\$ 1,805,640

NOTE 11 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

NOTE 11 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Pension benefits (continued)

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023 were \$243,478.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA

Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: [oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf](https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf)

Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Contributions (continued)

The City contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City made contributions in the amount of \$104 to the RHIA.

Net OPEB liability (asset)

At June 30, 2023, the City reported an (asset) of \$102,701 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2022, the City's proportion was 0.02890270%, which was an increase of 0.00823728% from its proportion measured as of June 30, 2021.

OPEB expense

For the year ended June 30, 2023, the City recognized OPEB revenue from this plan of \$20,824.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Contributions (continued)

Fiscal Year ended June 30, 2018 – 3.3 years
Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,783
Changes in assumptions	804	3,423
Net difference between projected and actual earnings on investments	-	7,832
Changes in proportionate share	-	14,862
Contributions subsequent to the measurement date	104	-
	\$ 908	\$ 28,900

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$104 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending June 30:</u>	
2024	\$ (16,712)
2025	(8,950)
2026	(4,943)
2027	2,509
2028	-
	\$ (28,096)

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in Note 11.

Retiree healthcare participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1% Lower	Current Discount Rate	1% Higher
Proportionate share of net OPEB liability(asset)	\$ (92,563)	\$ (102,701)	\$ (111,393)

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 61 active employees, 6 eligible retirees, and 2 spouses of eligible retirees for a total of 69 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	\$	545
For spouses of retirees		610

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2023, the City reported a total OPEB liability of \$261,928. The total OPEB liability was measured as of June 30, 2022 and determined by an valuation date of July 1, 2022.

	Total OPEB Liability
Balance as of June 30, 2022	\$ 275,219
Changes for the year:	
Service cost	27,066
Interest	6,140
Differences between expected and actual experience	26,845
Changes in assumptions or other inputs	(37,054)
Benefit payments	(36,288)
Balance as of June 30, 2023	\$ 261,928

For the year ended June 30, 2023, the City recognized OPEB expense of \$31,946. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43,477	\$ 6,806
Changes in assumptions	4,937	49,770
Changes in proportionate share	-	-
Contributions subsequent to the measurement date	35,434	-
	\$ 83,848	\$ 56,576

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of \$35,434 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending June 30:</u>		\$	
2024			(1,260)
2025			(1,260)
2026			43
2027			367
2028			(1,490)
Thereafter			(4,562)

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee’s pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee’s service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvement: Generational Unisex Social Security Data Scale
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)

Actuarial Assumptions (continued):	
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.
Future Retiree Coverage	35% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
Lapse Rate	Retirees for whom the Employer will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16%.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Years</u>	<u>Pre-65 Trend</u>
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-2029	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

Dental costs are assumed to increase 4.00% in all future years.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Sensitivity of the City’s total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City total OPEB liability calculated using the discount rate of 3.54%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Discount Rate

	1% Lower	Current Discount Rate	1% Higher
City's Total OPEB liability	\$ 282,758	\$ 261,928	\$ 242,988

Healthcare Cost Trend Rate

	1% Lower	Current Trend Rate	1% Higher
City's Total OPEB liability	\$ 235,344	\$ 261,928	\$ 294,030

Aggregate balances – OPEB

The balances of the City’s two OPEB plans are aggregated and displayed in the financial statements as follows:

	Oregon PERS RHIA Plan	Implicit Rate Subsidy	Total OPEB at June 30, 2023
Net OPEB asset	\$ 102,701	\$ -	\$ 102,701
Deferred outflows of resources	908	83,848	84,756
Total OPEB liability	-	(261,928)	(261,928)
Deferred inflows of resources	(28,900)	(56,576)	(85,476)
OPEB expense (revenue)	74,709	(234,656)	(159,947)

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

As of June 30, 2023, the amount of net position restricted by enabling legislation is as follows:

Governmental activities

System development – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 128,777
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Transportation – street maintenance fees and funding are restricted for the maintenance of public streets	582,190
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Governmental activities (continued)

Public safety – 911 telephone taxes and user fees from various special districts are restricted for the operation for the Western Lane County Public Safety Answering Point (PSAP)	\$ 630,245
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Tourism – room taxes are restricted to help support the Florence Events Center and to fund tourism-related projects	192,841
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Urban renewal projects – taxes are restricted to improving and redeveloping designated areas (community development)	935,623
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Business-type activities

System development – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	1,056,175
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NOTE 15 – COMMITMENTS AND CONTINGENCIES

Under terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under terms of the grant. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

NOTE 16 - NEWLY ISSUED ACCOUNTING STANDARDS

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FLORENCE, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Property taxes	\$ 5,881,500	\$ 5,881,500	\$ 2,921,984	\$ 3,075,653	\$ 5,997,637	\$ 116,137
Franchise fees	2,146,300	2,146,300	1,031,775	1,003,839	2,035,614	(110,686)
Licenses, permits and fees	376,000	376,000	451,723	413,686	865,409	489,409
Fines and forfeitures	395,800	395,800	151,288	156,064	307,352	(88,448)
Charges for services	4,093,400	4,093,400	1,772,917	2,120,780	3,893,697	(199,703)
Intergovernmental	1,711,600	2,339,300	857,054	940,482	1,797,536	(541,764)
Miscellaneous	104,000	104,000	62,429	163,983	226,412	122,412
Total revenues	14,708,600	15,336,300	7,249,170	7,874,487	15,123,657	(212,643)
Expenditures						
Current:						
Administration	2,550,900	2,550,900	881,982	1,194,631	2,076,613	474,287
Administrative services	2,691,600	2,766,600	1,165,080	1,551,160	2,716,240	50,360
Community development	2,003,400	2,003,400	910,720	1,010,024	1,920,744	82,656
Public safety	5,240,600	5,240,600	2,366,544	2,495,728	4,862,272	378,328
Municipal court	673,800	598,800	276,327	286,924	563,251	35,549
Parks	696,500	696,500	304,542	352,913	657,455	39,045
Non-departmental	246,800	874,500	129,540	147,937	277,477	597,023
Capital outlay	968,000	968,000	121,646	284,890	406,536	561,464
Contingency	2,002,700	2,002,700	-	-	-	2,002,700
Total expenditures	17,074,300	17,702,000	6,156,381	7,324,207	13,480,588	4,221,412
Excess (deficiency) of revenues over expenditures	(2,365,700)	(2,365,700)	1,092,789	550,280	1,643,069	4,008,769
Other financing sources (uses)						
Issuance of long-term debt	705,000	705,000	-	-	-	(705,000)
Transfers in	-	-	-	435,100	435,100	435,100
Transfers out	(1,215,100)	(1,215,100)	(606,377)	(602,554)	(1,208,931)	6,169
Total other financing sources (uses)	(510,100)	(510,100)	(606,377)	(167,454)	(773,831)	(263,731)
Net change in fund balance	(2,875,800)	(2,875,800)	486,412	382,826	869,238	3,745,038
Fund balance at beginning of year/biennium	2,875,800	2,875,800	2,548,114	3,097,136	2,548,114	(327,686)
Prior period adjustment	-	-	62,610	-	62,610	62,610
Fund balance at beginning of year/biennium, as restated	2,875,800	2,875,800	2,610,724	3,097,136	2,610,724	(265,076)
Fund balance at end of year/biennium	\$ -	\$ -	\$ 3,097,136	\$ 3,479,962	\$ 3,479,962	\$ 3,479,962

CITY OF FLORENCE, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Franchise fees	\$ 188,000	\$ 188,000	\$ 123,440	\$ 120,253	\$ 243,693	\$ 55,693
Charges for services	976,100	976,100	478,409	484,767	963,176	(12,924)
Intergovernmental	5,134,500	5,280,100	1,689,824	811,519	2,501,343	(2,778,757)
Miscellaneous	4,800	4,800	64,491	22,807	87,298	82,498
Total revenues	6,303,400	6,449,000	2,356,164	1,439,346	3,795,510	(2,653,490)
Expenditures						
Personnel services	139,400	139,400	21,500	63,847	85,347	54,053
Materials and services	1,390,300	1,535,900	501,227	882,421	1,383,648	152,252
Capital outlay	6,062,700	5,862,700	1,301,183	539,343	1,840,526	4,022,174
Contingency	746,300	746,300	-	-	-	746,300
Total expenditures	8,338,700	8,284,300	1,823,910	1,485,611	3,309,521	4,974,779
Excess (deficiency) of revenues over expenditures	(2,035,300)	(1,835,300)	532,254	(46,265)	485,989	2,321,289
Other financing sources (uses)						
Issuance of long-term debt	2,500,000	2,500,000	-	640,700	640,700	(1,859,300)
Transfers in	180,000	180,000	90,000	227,000	317,000	137,000
Transfers out	(773,900)	(973,900)	(409,508)	(413,477)	(822,985)	150,915
Total other financing sources (uses)	1,906,100	1,706,100	(319,508)	454,223	134,715	(1,571,385)
Net change in fund balance	(129,200)	(129,200)	212,746	407,958	620,704	749,904
Fund balance at beginning of year/biennium	129,200	129,200	(80,598)	156,898	(80,598)	(209,798)
Prior period adjustment	-	-	24,750	-	24,750	24,750
Fund balance at beginning of year/biennium, as restated	129,200	129,200	(55,848)	156,898	(55,848)	(185,048)
Fund balance at end of year/biennium - budgetary basis	\$ -	\$ -	156,898	564,856	\$ 564,856	\$ 564,856
Reconciliation to generally accepted accounting principles						
Street Fund is budgeted as an individual fund but is combined with the Street System Development Fund for GAAP reporting			172,513	108,423		
Fund balance at end of year - GAAP basis			\$ 329,411	\$ 673,279		

CITY OF FLORENCE, OREGON
FLORENCE URBAN RENEWAL AGENCY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 616,775	\$ 765,660	\$ 1,382,435	\$ 182,435
Intergovernmental	400,000	400,000	234,987	200,706	435,693	35,693
Miscellaneous	8,000	8,000	3,392	23,503	26,895	18,895
Total revenues	<u>1,608,000</u>	<u>1,608,000</u>	<u>855,154</u>	<u>989,869</u>	<u>1,845,023</u>	<u>237,023</u>
Expenditures						
Materials and services	708,100	708,100	245,300	238,365	483,665	224,435
Capital outlay	515,000	515,000	157,174	44,455	201,629	313,371
Debt service	937,200	937,200	468,454	468,454	936,908	292
Contingency	859,100	859,100	-	-	-	859,100
Total expenditures	<u>3,019,400</u>	<u>3,019,400</u>	<u>870,928</u>	<u>751,274</u>	<u>1,622,202</u>	<u>1,397,198</u>
Excess (deficiency) of revenues over expenditures	<u>(1,411,400)</u>	<u>(1,411,400)</u>	<u>(15,774)</u>	<u>238,595</u>	<u>222,821</u>	<u>1,634,221</u>
Other financing sources (uses)						
Transfers in	81,000	81,000	-	-	-	(81,000)
Total other financing sources (uses)	<u>81,000</u>	<u>81,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,000)</u>
Net change in fund balance	(1,330,400)	(1,330,400)	(15,774)	238,595	222,821	1,553,221
Fund balance at beginning of year/biennium	1,330,400	1,330,400	692,018	676,244	692,018	(638,382)
Fund balance at end of year/biennium	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,244</u>	<u>\$ 914,839</u>	<u>\$ 914,839</u>	<u>\$ 914,839</u>

CITY OF FLORENCE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.03343549%	\$ 5,119,644	\$ 3,860,936	133%	85%
2021	0.03043612%	3,642,132	3,739,002	97%	88%
2020	0.02742937%	5,986,032	3,695,621	162%	76%
2019	0.02788294%	4,823,081	3,762,260	128%	80%
2018	0.02703036%	4,094,744	3,669,227	112%	82%
2017	0.02733098%	3,684,226	3,257,585	113%	83%
2016	0.02535152%	3,805,852	3,354,642	113%	81%
2015	0.02730409%	1,567,653	3,238,206	48%	92%
2014	0.02378761%	(539,197)	3,154,516	-17%	104%
2013	0.02378761%	1,213,917	3,015,337	40%	92%

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 644,114	\$ 644,114	\$ -	\$ 3,993,080	16.13%
2022	614,091	614,091	-	3,860,936	15.91%
2021	543,812	543,812	-	3,739,002	14.54%
2020	450,246	450,246	-	3,695,621	12.18%
2019	312,862	312,862	-	3,762,260	8.32%
2018	331,774	331,774	-	3,669,227	9.04%
2017	227,630	227,630	-	3,257,585	6.99%
2016	239,728	239,728	-	3,354,642	7.15%
2015	228,397	228,397	-	3,238,206	7.05%
2014	251,436	251,436	-	3,154,516	7.97%

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET OTHER POST EMPLOYMENT BENEFIT LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02890270%	\$ (102,701) \$	3,860,936	-3%	195%
2021	0.02066542%	(70,965)	3,739,002	-2%	184%
2020	0.01608306%	(32,771)	3,695,621	-1%	150%
2019	0.02969519%	(57,381)	3,762,260	-2%	144%
2018	0.03019437%	(33,705)	3,669,227	-1%	124%
2017	0.02881056%	(12,024)	3,257,585	0%	109%

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the year for which the required supplementary information is available.

CITY OF FLORENCE, OREGON
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 104	\$ 104	\$ -	\$ 3,993,080	0.00%
2022	7,985	7,985	-	3,860,936	0.21%
2021	17,668	17,668	-	3,739,002	0.47%
2022	1,149	1,149	-	3,695,621	0.03%
2019	14,718	14,718	-	3,762,260	0.39%
2018	14,620	14,620	-	3,669,227	0.40%
2017	14,494	14,494	-	3,257,585	0.44%

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
IMPLICIT SUBSIDY
Last 10 Plan Years*

	Years Ended June 30,				
	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 27,066	\$ 26,288	\$ 20,928	\$ 18,602	\$ 17,474
Interest on total OPEB liability	6,140	6,358	10,718	11,711	10,129
Effect of economic/demographic gains or losses	26,845	-	(10,517)	-	41,955
Effect of assumptions changes or inputs	(37,054)	990	(7,720)	7,335	(17,222)
Benefit payments	(36,288)	(39,458)	(35,016)	(37,666)	(30,002)
Net change in total OPEB liability	(13,291)	(5,822)	(21,607)	(18)	22,334
Total OPEB liability - beginning	275,219	281,041	302,648	302,666	280,332
Total OPEB liability - ending	\$ 261,928	\$ 275,219	\$ 281,041	\$ 302,648	\$ 302,666
Covered employee payroll	\$ 3,993,080	\$ 3,860,936	\$ 3,739,002	\$ 3,695,621	\$ 3,762,260
Total OPEB liability as a percentage of covered payroll	6.56%	7.13%	7.52%	8.19%	8.04%

Note: The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the year for which the required supplementary information is available.

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – BUDGETING INFORMATION

Budget policies and budgetary control

The City implemented a biennial budget effective July 1, 2021 for the biennium ending June 30, 2023. Appropriations are for the biennial period. Appropriations lapse at the end of the biennial period.

The City begins its budgeting process by appointing Budget Committee members in the fall preceding the biennial period in which the budget will be used. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. After public notices and a hearing, the City Council adopts a final budget, appropriations are made, and a tax levy declared no later than June 30th.

The City Council resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The City established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except for the General Fund where budgetary control is established at the department level.

Expenditures cannot legally exceed appropriations, except in the case of grant receipts and bond sale proceeds, which could not be reasonably estimated at the time the budget was adopted. Supplemental appropriations and appropriation transfers may occur with notice and City Council action.

For the year ended June 30, 2023, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Room Tax Fund	Materials and Services	\$ 10,701
Event Center Fund	Materials and Services	46,435

Budgetary differences

Revenues

Total Street Fund revenues - budgetary basis - FY2022-23	\$ 1,439,346
Revenues of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements:	
Street System Development Fund - FY2022-23	<u>26,113</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,465,459</u>

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – BUDGETING INFORMATION (Continued)

Budgetary differences (continued)

Expenditures

Total Street Fund expenditures - budgetary basis - FY2022-23	\$ 1,485,611
Expenditures of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements:	
Street System Development Fund - FY2022-23	<u>203</u>
Total expenditures reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,485,814</u>

Other Financing Sources (Uses)

Total Street Fund other financing sources(uses) - budgetary basis	\$ 454,223
Other financing sources (uses) of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements	
Street System Development Fund - FY2022-23	<u>(90,000)</u>
Total other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 364,223</u>

Beginning Fund Balance

Total Street Fund beginning fund balance - budgetary basis	\$ 156,898
Beginning fund balance of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements	
Street System Development Fund - FY2022-23	<u>172,513</u>
Total beginning fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 329,411</u>

Ending Fund Balance

Total Street Fund ending fund balance - budgetary basis	\$ 564,856
Ending fund balance of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements	
Street System Development Fund - FY2022-23	<u>108,423</u>
Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 673,279</u>

NOTE 2 – PENSION INFORMATION

Changes in Benefit Terms and Assumptions

Benefit terms – The 2013 Oregon Legislature made a series of changes to PERS that lowered the projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future System COLA through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Benefits (continued) – A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049 signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 total pension liability as a reduction to the liability.

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111 enacted in June 2021, provided an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 68, the benefits valued in the total pension liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 total pension liability. The increase in the total pension liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System’s funding and administration, the change in the death benefit provision is the only change that affects the measured total pension liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021.

Assumptions – The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and the June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.5% and lowering of the assumed inflation to 2.5%. For June 30, 2018, the long-term expected rate of return was lowered to 7.2%. For June 30, 2021, the long-term expected rate of return was lowered to 6.9% and the inflation rate was lowered to 2.4%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave and vacation pay were updated.

There were no changes for the year ended June 30, 2022.

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 2 – OTHER POST EMPLOYMENT BENEFIT INFORMATION (OPEB) – OPERS RHIA

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	12/31/19	12/31/17	12/31/15	12/31/13
Effective period:	07/2021 - 07/2023	07/2019 - 07/2021	07/2017 - 07/2019	07/2016 - 07/2017
Actuarial assumptions:				
Inflation rate	2.40%	2.50%	2.50%	2.75%
Projected salary increase	3.40%	3.50%	3.50%	3.75%
Investment rate of return	6.90%	7.20%	7.20%	7.75%

NOTE 3 – OTHER POST EMPLOYMENT BENEFIT INFORMATION (OPEB) – IMPLICIT SUBSIDY

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in Assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Years Ended	Discount Rate
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.87%

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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CITY OF FLORENCE, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Intergovernmental	\$ 1,239,000	\$ 1,239,000	\$ 468,454	\$ 468,454	936,908	\$ (302,092)
Miscellaneous	170,000	170,000	182,601	233,855	416,456	246,456
Total revenues	<u>1,409,000</u>	<u>1,409,000</u>	<u>651,055</u>	<u>702,309</u>	<u>1,353,364</u>	<u>(55,636)</u>
Expenditures						
Materials and services	1,700	1,800	492	602	1,094	706
Debt service	2,829,000	2,828,900	1,264,609	1,274,138	2,538,747	290,153
Total expenditures	<u>2,830,700</u>	<u>2,830,700</u>	<u>1,265,101</u>	<u>1,274,740</u>	<u>2,539,841</u>	<u>290,859</u>
Excess (deficiency) of revenues over expenditures	<u>(1,421,700)</u>	<u>(1,421,700)</u>	<u>(614,046)</u>	<u>(572,431)</u>	<u>(1,186,477)</u>	<u>235,223</u>
Other financing sources (uses)						
Transfers in	1,372,000	1,372,000	688,495	690,343	1,378,838	6,838
Total other financing sources (uses)	<u>1,372,000</u>	<u>1,372,000</u>	<u>688,495</u>	<u>690,343</u>	<u>1,378,838</u>	<u>6,838</u>
Net change in fund balance	(49,700)	(49,700)	74,449	117,912	192,361	242,061
Fund balance at beginning of year/biennium	531,000	531,000	382,548	456,997	382,548	(148,452)
Fund balance at end of year/biennium	<u>\$ 481,300</u>	<u>\$ 481,300</u>	<u>\$ 456,997</u>	<u>\$ 574,909</u>	<u>\$ 574,909</u>	<u>\$ 93,609</u>

CITY OF FLORENCE, OREGON
COMBINING BALANCE SHEET
STREET FUND
June 30, 2023

	Street	Street System Development	Total Street Fund
ASSETS			
Cash and cash equivalents	\$ 485,454	\$ 107,429	\$ 592,883
Receivables, net	139,729	21,348	161,077
Inventory	38,612	-	38,612
Total assets	\$ 663,795	\$ 128,777	\$ 792,572
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 12,501	\$ -	\$ 12,501
Retainage payable	49,104	-	49,104
Deposits	20,000	-	20,000
Total liabilities	81,605	-	81,605
Deferred inflows of resources			
Unavailable revenue - other	17,334	20,354	37,688
Total deferred inflows of resources	17,334	20,354	37,688
FUND BALANCES			
Nonspendable	38,612	-	38,612
Restricted:			
Transportation	526,244	-	526,244
System development	-	108,423	108,423
Total fund balances	564,856	108,423	673,279
Total liabilities, deferred inflows of resources and fund balances	\$ 663,795	\$ 128,777	\$ 792,572

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
STREET FUND
Year Ended June 30, 2023

	<u>Street</u>	<u>Street System Development</u>	<u>Eliminations</u>	<u>Total Street Fund</u>
Revenues				
Franchise fees	\$ 120,253	\$ -	\$ -	\$ 120,253
Charges for services	484,767	22,674	-	507,441
Intergovernmental	811,519	-	-	811,519
Interest	20,562	3,439	-	24,001
Miscellaneous	<u>2,245</u>	<u>-</u>	<u>-</u>	<u>2,245</u>
Total revenues	<u>1,439,346</u>	<u>26,113</u>	<u>-</u>	<u>1,465,459</u>
Expenditures				
Current				
Transportation	946,268	203	-	946,471
Capital outlay	<u>539,343</u>	<u>-</u>	<u>-</u>	<u>539,343</u>
Total expenditures	<u>1,485,611</u>	<u>203</u>	<u>-</u>	<u>1,485,814</u>
Excess (deficiency) of revenues over expenditures	<u>(46,265)</u>	<u>25,910</u>	<u>-</u>	<u>(20,355)</u>
Other financing sources (uses)				
Issuance of long-term obligations	640,700	-	-	640,700
Transfers in	227,000	-	(90,000)	137,000
Transfers out	<u>(413,477)</u>	<u>(90,000)</u>	<u>90,000</u>	<u>(413,477)</u>
Total other financing sources (uses)	<u>454,223</u>	<u>(90,000)</u>	<u>-</u>	<u>364,223</u>
Net change in fund balances	407,958	(64,090)	-	343,868
Fund balances at beginning of year	<u>156,898</u>	<u>172,513</u>	<u>-</u>	<u>329,411</u>
Fund balances at end of year	<u>\$ 564,856</u>	<u>\$ 108,423</u>	<u>\$ -</u>	<u>\$ 673,279</u>

CITY OF FLORENCE, OREGON
STREET SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 80,000	\$ 80,000	\$ 72,450	\$ 22,674	\$ 95,124	\$ 15,124
Miscellaneous	1,500	1,500	848	3,439	4,287	2,787
Total revenues	81,500	81,500	73,298	26,113	99,411	17,911
Expenditures						
Materials and services	1,000	1,000	199	203	402	598
Contingency	13,700	13,700	-	-	-	13,700
Total expenditures	14,700	14,700	199	203	402	14,298
Excess (deficiency) of revenues over expenditures	66,800	66,800	73,099	25,910	99,009	32,209
Other financing sources (uses)						
Transfers out	(180,000)	(180,000)	(90,000)	(90,000)	(180,000)	-
Total other financing sources (uses)	(180,000)	(180,000)	(90,000)	(90,000)	(180,000)	-
Net change in fund balance	(113,200)	(113,200)	(16,901)	(64,090)	(80,991)	32,209
Fund balance at beginning of year/biennium	113,200	113,200	189,414	172,513	189,414	76,214
Fund balance at end of year/biennium	\$ -	\$ -	172,513	108,423	\$ 108,423	\$ 108,423
Reconciliation to generally accepted accounting principles						
Street System Development Fund is budgeted as an individual fund but is combined with the Street Fund for GAAP reporting			(172,513)	(108,423)		
Fund balance at end of year - GAAP basis			\$ -	\$ -		

CITY OF FLORENCE, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	<u>Special Revenue</u>			
	<u>9-1-1 Emergency Services</u>	<u>Room Tax</u>	<u>ARPA</u>	
ASSETS				
Cash and cash equivalents	\$ 580,437	\$ 23,371	\$ 572,817	\$ 1,176,625
Receivables, net	<u>50,096</u>	<u>181,826</u>	<u>-</u>	<u>231,922</u>
Total assets	<u>\$ 630,533</u>	<u>\$ 205,197</u>	<u>\$ 572,817</u>	<u>\$ 1,408,547</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 288	\$ 36,551	\$ -	\$ 36,839
Unearned revenue	<u>-</u>	<u>-</u>	<u>554,174</u>	<u>554,174</u>
Total liabilities	<u>288</u>	<u>36,551</u>	<u>554,174</u>	<u>591,013</u>
Deferred inflows of resources				
Unavailable revenue - other	<u>-</u>	<u>144,549</u>	<u>-</u>	<u>144,549</u>
Total deferred inflows of resources	<u>-</u>	<u>144,549</u>	<u>-</u>	<u>144,549</u>
FUND BALANCES				
Restricted:				
Public safety	630,245	-	-	630,245
Tourism	-	24,097	-	24,097
Specific purpose grants	<u>-</u>	<u>-</u>	<u>18,643</u>	<u>18,643</u>
Total fund balances	<u>630,245</u>	<u>24,097</u>	<u>18,643</u>	<u>672,985</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 630,533</u>	<u>\$ 205,197</u>	<u>\$ 572,817</u>	<u>\$ 1,408,547</u>

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>Special Revenue</u>			<u>Debt Service</u>	
	<u>9-1-1 Emergency Services</u>	<u>Room Tax</u>	<u>ARPA</u>	<u>General Obligation Debt</u>	<u>Total</u>
Revenues					
Transient lodging tax	\$ -	\$ 473,740	\$ -	\$ -	\$ 473,740
Charges for services	150,797	-	-	-	150,797
Intergovernmental	310,617	-	-	-	310,617
Interest	13,339	-	15,157	-	28,496
Miscellaneous	169	-	-	-	169
Total revenues	<u>474,922</u>	<u>473,740</u>	<u>15,157</u>	<u>-</u>	<u>963,819</u>
Expenditures					
Current					
Administration	-	189,666	-	-	189,666
Public safety	827,996	-	-	-	827,996
Capital outlay	5,530	-	-	-	5,530
Total expenditures	<u>833,526</u>	<u>189,666</u>	<u>-</u>	<u>-</u>	<u>1,023,192</u>
Excess (deficiency) of revenues over expenditures	<u>(358,604)</u>	<u>284,074</u>	<u>15,157</u>	<u>-</u>	<u>(59,373)</u>
Other financing sources (uses)					
Transfers in	547,000	-	-	-	547,000
Transfers out	-	(308,269)	(928,600)	(17,591)	(1,254,460)
Total other financing sources (uses)	<u>547,000</u>	<u>(308,269)</u>	<u>(928,600)</u>	<u>(17,591)</u>	<u>(707,460)</u>
Net change in fund balances	188,396	(24,195)	(913,443)	(17,591)	(766,833)
Fund balances at beginning of year	441,849	48,292	3,486	17,591	511,218
Prior period adjustment - Note 3	-	-	928,600	-	928,600
Fund balances at beginning of year, as restated	<u>441,849</u>	<u>48,292</u>	<u>932,086</u>	<u>17,591</u>	<u>1,439,818</u>
Fund balances at end of year	<u>\$ 630,245</u>	<u>\$ 24,097</u>	<u>\$ 18,643</u>	<u>\$ -</u>	<u>\$ 672,985</u>

CITY OF FLORENCE, OREGON
9-1-1 EMERGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 368,400	\$ 150,797	\$ 150,797	\$ 301,594	\$ (66,806)
Intergovernmental	666,300	185,759	310,617	496,376	(169,924)
Miscellaneous	2,000	2,540	13,508	16,048	14,048
Total revenues	1,036,700	339,096	474,922	814,018	(222,682)
Expenditures					
Personnel services	1,328,200	614,042	613,545	1,227,587	100,613
Materials and services	441,800	189,158	214,451	403,609	38,191
Capital outlay	502,100	126,414	5,530	131,944	370,156
Contingency	289,500	-	-	-	289,500
Total expenditures	2,561,600	929,614	833,526	1,763,140	798,460
Excess (deficiency) of revenues over expenditures	(1,524,900)	(590,518)	(358,604)	(949,122)	575,778
Other financing sources (uses)					
Transfers in	1,094,000	547,000	547,000	1,094,000	-
Total other financing sources (uses)	1,094,000	547,000	547,000	1,094,000	-
Net change in fund balance	(430,900)	(43,518)	188,396	144,878	575,778
Fund balance at beginning of year/biennium	460,900	485,367	441,849	485,367	24,467
Fund balance at end of year/biennium	\$ 30,000	\$ 441,849	\$ 630,245	\$ 630,245	\$ 600,245

CITY OF FLORENCE, OREGON
ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Transient lodging tax	\$ 960,300	\$ 562,800	\$ 473,740	\$ 1,036,540	\$ 76,240
Intergovernmental	68,800	-	-	-	(68,800)
Total revenues	1,029,100	562,800	473,740	1,036,540	7,440
Expenditures					
Materials and services	405,500	226,535	189,666	416,201	(10,701)
Contingency	24,000	-	-	-	24,000
Total expenditures	429,500	226,535	189,666	416,201	13,299
Excess (deficiency) of revenues over expenditures	599,600	336,265	284,074	620,339	20,739
Other financing sources (uses)					
Transfers out	(599,700)	(307,635)	(308,269)	(615,904)	(16,204)
Total other financing sources (uses)	(599,700)	(307,635)	(308,269)	(615,904)	(16,204)
Net change in fund balance	(100)	28,630	(24,195)	4,435	4,535
Fund balance at beginning of year/biennium	100	19,662	48,292	19,662	19,562
Fund balance at end of year/biennium	\$ -	\$ 48,292	\$ 24,097	\$ 24,097	\$ 24,097

CITY OF FLORENCE, OREGON

ARPA FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Intergovernmental	\$ 2,031,500	\$ 549,800	\$ -	\$ 549,800	\$ (1,481,700)
Miscellaneous	2,500	3,486	15,157	18,643	16,143
Total revenues	2,034,000	553,286	15,157	568,443	(1,465,557)
Expenditures					
Materials and services	1,478,400	549,800	-	549,800	928,600
Capital outlay	555,600	-	-	-	555,600
Total expenditures	2,034,000	549,800	-	549,800	1,484,200
Excess (deficiency) of revenues over expenditures	-	3,486	15,157	18,643	18,643
Other financing sources (uses)					
Transfers out	-	-	(928,600)	(928,600)	(928,600)
Total other financing sources (uses)	-	-	(928,600)	(928,600)	(928,600)
Net change in fund balance	-	3,486	(913,443)	(909,957)	(909,957)
Fund balance at beginning of year/biennium	-	-	3,486	-	3,486
Prior period adjustment	-	-	928,600	928,600	928,600
Fund balance at beginning of year/biennium, as restated	-	-	932,086	928,600	932,086
Fund balance at end of year/biennium	\$ -	\$ 3,486	\$ 18,643	\$ 18,643	\$ 22,129

CITY OF FLORENCE, OREGON
GENERAL OBLIGATION DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Property taxes	\$ 116,900	\$ 115,452	\$ -	\$ 115,452	\$ (1,448)
Total revenues	116,900	115,452	-	115,452	(1,448)
Expenditures					
Debt service	167,600	167,556	-	167,556	44
Total expenditures	167,600	167,556	-	167,556	44
Excess (deficiency) of revenues over expenditures	(50,700)	(52,104)	-	(52,104)	(1,404)
Other financing sources (uses)					
Transfers out	(19,200)	-	(17,591)	(17,591)	1,609
Total other financing sources (uses)	(19,200)	-	(17,591)	(17,591)	1,609
Net change in fund balance	(69,900)	(52,104)	(17,591)	(69,695)	205
Fund balance at beginning of year/biennium	69,900	69,695	17,591	69,695	(205)
Fund balance at end of year/biennium	\$ -	\$ 17,591	\$ -	\$ -	\$ -

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2023

	Water	Water System Development Charges	Total Water Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,453,847	\$ 236,291	\$ 3,690,138
Receivables, net	239,167	75,978	315,145
Inventory	86,091	-	86,091
Current portion of lease receivable	8,359	-	8,359
Total current assets	3,787,464	312,269	4,099,733
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable	174,628	-	174,628
Capital assets, net of accumulated depreciation	9,931,302	-	9,931,302
Total capital assets	10,105,930	-	10,105,930
Lease receivable	85,275	-	85,275
Net OPEB asset	5,730	-	5,730
Total noncurrent assets	10,196,935	-	10,196,935
Total assets	13,984,399	312,269	14,296,668
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	136,964	-	136,964
Other postemployment benefit related items	4,729	-	4,729
Total deferred outflows of resources	141,693	-	141,693
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	53,009	-	53,009
Accrued interest payable	17,943	-	17,943
Retainage payable	74,348	-	74,348
Compensated absences	25,171	-	25,171
Current portion of lease payable	792	-	792
Current portion of bonds and notes payable	201,012	-	201,012
Current portion of total OPEB liability	1,977	-	1,977
Total current liabilities	374,252	-	374,252
Noncurrent liabilities			
Lease payable	601	-	601
Bonds and notes payable	4,583,861	-	4,583,861
Net pension liability	285,632	-	285,632
Total OPEB liability	12,636	-	12,636
Total noncurrent liabilities	4,882,730	-	4,882,730
Total liabilities	5,256,982	-	5,256,982
DEFERRED INFLOW OF RESOURCES			
Leases	91,402	-	91,402
Pension related items	99,336	-	99,336
Other postemployment benefit related items	4,769	-	4,769
Total deferred inflows of resources	195,507	-	195,507
NET POSITION			
Net investment in capital assets	7,097,314	-	7,097,314
Restricted for:			
System development	-	312,269	312,269
Net OPEB benefits	5,730	-	5,730
Unrestricted	1,570,559	-	1,570,559
Total net position	\$ 8,673,603	\$ 312,269	\$ 8,985,872

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUND
Year Ended June 30, 2023

	<u>Water</u>	<u>Water System Development Charges</u>	<u>Eliminations</u>	<u>Total Water Fund</u>
Operating revenues				
Charges for services	\$ 2,384,282	\$ -	\$ -	\$ 2,384,282
Total operating revenues	<u>2,384,282</u>	<u>-</u>	<u>-</u>	<u>2,384,282</u>
Operating expenses				
Personnel services	445,614	-	-	445,614
Materials and services	1,627,686	203	-	1,627,889
Depreciation and amortization	607,950	-	-	607,950
Total operating expenses	<u>2,681,250</u>	<u>203</u>	<u>-</u>	<u>2,681,453</u>
Operating income (loss)	<u>(296,968)</u>	<u>(203)</u>	<u>-</u>	<u>(297,171)</u>
Nonoperating revenues (expenses)				
Interest income	31,903	7,393	-	39,296
Miscellaneous	36,744	-	-	36,744
Interest expense	(77,809)	-	-	(77,809)
Total nonoperating revenues (expenses)	<u>(9,162)</u>	<u>7,393</u>	<u>-</u>	<u>(1,769)</u>
Income (loss) before capital contributions and transfers	(306,130)	7,190	-	(298,940)
Capital contributions	-	156,646	-	156,646
Transfers in	334,491	-	(200,000)	134,491
Transfers out	-	(200,000)	200,000	-
Change in net position	28,361	(36,164)	-	(7,803)
Net position at beginning of year	<u>8,645,242</u>	<u>348,433</u>	<u>-</u>	<u>8,993,675</u>
Net position at end of year	<u>\$ 8,673,603</u>	<u>\$ 312,269</u>	<u>\$ -</u>	<u>\$ 8,985,872</u>

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2023

	<u>Water</u>	<u>Water System Development Charges</u>	<u>Eliminations</u>	<u>Total Water Fund</u>
Cash flows from operating activities				
Receipts from customers and users	\$ 2,365,781	\$ -	\$ -	\$ 2,365,781
Payments to suppliers	(1,684,186)	(203)	-	(1,684,389)
Payments to employees	(428,072)	-	-	(428,072)
Net cash provided by (used in) operating activities	<u>253,523</u>	<u>(203)</u>	<u>-</u>	<u>253,320</u>
Cash flows from noncapital financing activities				
Receipts on interfund loan	-	53,223	(53,223)	-
Payments on interfund loan	(53,223)	-	53,223	-
Other receipts	35,833	-	-	35,833
Transfers in	134,491	-	-	134,491
Net cash provided by (used in) noncapital financing activities	<u>117,101</u>	<u>53,223</u>	<u>-</u>	<u>170,324</u>
Cash flows from capital and related financing activities				
Transfers in	200,000	-	(200,000)	-
Transfers out	-	(200,000)	200,000	-
System development charges received	-	80,668	-	80,668
Acquisition of capital assets	(360,156)	-	-	(360,156)
Issuance of long-term obligations	3,375,000	-	-	3,375,000
Principal paid on long-term obligations	(98,040)	-	-	(98,040)
Interest paid on long-term obligations	(64,163)	-	-	(64,163)
Net cash provided by (used in) capital and related financing activities	<u>3,052,641</u>	<u>(119,332)</u>	<u>-</u>	<u>2,933,309</u>
Cash flows from investing activities				
Interest on investments	30,582	7,393	-	37,975
Net cash provided by (used in) investing activities	<u>30,582</u>	<u>7,393</u>	<u>-</u>	<u>37,975</u>
Net increase (decrease) in cash and cash equivalents	3,453,847	(58,919)	-	3,394,928
Cash and cash equivalents at beginning of year	-	295,210	-	295,210
Cash and cash equivalents at end of year	<u>\$ 3,453,847</u>	<u>\$ 236,291</u>	<u>\$ -</u>	<u>\$ 3,690,138</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (296,968)	\$ (203)	\$ -	\$ (297,171)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	607,950	-	-	607,950
(Increase) decrease in assets and deferred outflows:				
Receivables, net	(18,501)	-	-	(18,501)
Inventories	(52,691)	-	-	(52,691)
Net OPEB asset	(1,907)	-	-	(1,907)
Deferred outflows - Pension related items	(10,963)	-	-	(10,963)
Deferred outflows - OPEB related items	(712)	-	-	(712)
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(3,026)	-	-	(3,026)
Compensated absences liability	5,397	-	-	5,397
Lease payable	(783)	-	-	(783)
Net pension liability	89,447	-	-	89,447
Total OPEB liability	(212)	-	-	(212)
Deferred inflows - Pension related items	(65,342)	-	-	(65,342)
Deferred inflows - OPEB related items	1,834	-	-	1,834
Net cash provided by (used in) operating activities	<u>\$ 253,523</u>	<u>\$ (203)</u>	<u>\$ -</u>	<u>\$ 253,320</u>

CITY OF FLORENCE, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 4,705,400	\$ 4,705,400	\$ 2,259,438	\$ 2,412,066	\$ 4,671,504	\$ (33,896)
Intergovernmental	1,921,800	2,152,000	115,578	-	115,578	(2,036,422)
Miscellaneous	22,000	22,000	18,442	66,415	84,857	62,857
Total revenues	6,649,200	6,879,400	2,393,458	2,478,481	4,871,939	(2,007,461)
Expenditures						
Personnel services	824,800	844,800	391,078	428,072	819,150	25,650
Materials and services	3,074,000	3,304,200	1,341,421	1,673,407	3,014,828	289,372
Capital outlay	3,535,000	3,515,000	849,996	372,278	1,222,274	2,292,726
Debt service	477,300	477,300	145,556	162,183	307,739	169,561
Contingency	1,192,100	1,192,100	-	-	-	1,192,100
Total expenditures	9,103,200	9,333,400	2,728,051	2,635,940	5,363,991	3,969,409
Excess (deficiency) of revenues over expenditures	(2,454,000)	(2,454,000)	(334,593)	(157,459)	(492,052)	1,961,948
Other financing sources (uses)						
Issuance of long-term debt	1,680,000	1,680,000	-	3,375,000	3,375,000	1,695,000
Transfers in	500,000	500,000	300,000	334,491	634,491	134,491
Total other financing sources (uses)	2,180,000	2,180,000	300,000	3,709,491	4,009,491	1,829,491
Net change in fund balance	(274,000)	(274,000)	(34,593)	3,552,032	3,517,439	3,791,439
Fund balance at beginning of year/biennium	274,000	274,000	48,218	13,625	48,218	(225,782)
Fund balance at end of year/biennium	\$ -	\$ -	13,625	3,565,657	\$ 3,565,657	\$ 3,565,657
Reconciliation to generally accepted accounting principles						
Water Fund is budgeted as an individual fund but is combined with the Water System Development Fund for GAAP reporting			348,433	240,401		
Inventory			33,400	86,091		
Capital assets, net			10,349,375	10,105,930		
Lease receivable			90,694	93,634		
Net OPEB asset			3,823	5,730		
Deferred outflows related to pensions			126,001	136,964		
Deferred outflows related to OPEB			4,017	4,729		
Accrued interest payable			(4,075)	(17,943)		
Compensated absences			(19,774)	(25,171)		
Lease liability			(2,176)	(1,393)		
Bonds and notes payable			(1,508,135)	(4,784,873)		
Net pension liability			(196,185)	(285,632)		
Total OPEB liability			(14,825)	(14,613)		
Unavailable revenues			27,784	71,868		
Deferred inflows - leases			(90,694)	(91,402)		
Deferred inflows related to pensions			(164,678)	(99,336)		
Deferred inflows related to OPEB			(2,935)	(4,769)		
Net position at end of year - GAAP basis			\$ 8,993,675	\$ 8,985,872		

CITY OF FLORENCE, OREGON
WATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 240,000	\$ 226,232	\$ 84,778	\$ 311,010	\$ 71,010
Miscellaneous	10,000	1,780	7,393	9,173	(827)
Total revenues	250,000	228,012	92,171	320,183	70,183
Expenditures					
Materials and services	500	199	203	402	98
Contingency	139,700	-	-	-	139,700
Total expenditures	140,200	199	203	402	139,798
Excess (deficiency) of revenues over expenditures	109,800	227,813	91,968	319,781	209,981
Other financing sources (uses)					
Transfers out	(500,000)	(300,000)	(200,000)	(500,000)	-
Total other financing sources (uses)	(500,000)	(300,000)	(200,000)	(500,000)	-
Net change in fund balance	(390,200)	(72,187)	(108,032)	(180,219)	209,981
Fund balance at beginning of year/biennium	390,200	420,620	348,433	420,620	30,420
Fund balance at end of year/biennium	\$ -	348,433	240,401	\$ 240,401	\$ 240,401
Reconciliation to generally accepted accounting principles					
Water System Development Fund is budgeted as an individual fund but is combined with the Water Fund for GAAP reporting.		(348,433)	(240,401)		
Fund balance at end of year - GAAP basis		\$ -	\$ -		

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUND
June 30, 2023

	Wastewater	Wastewater System Development Charges	Total Wastewater Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,991,906	\$ 472,750	\$ 6,464,656
Receivables, net	335,141	68,799	403,940
Inventory	15,875	-	15,875
Total current assets	6,342,922	541,549	6,884,471
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable	435,648	-	435,648
Capital assets, net of accumulated depreciation	14,220,075	-	14,220,075
Total capital assets	14,655,723	-	14,655,723
Net OPEB asset	6,180	-	6,180
Total noncurrent assets	14,661,903	-	14,661,903
Total assets	21,004,825	541,549	21,546,374
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	147,725	-	147,725
Other postemployment benefit related items	5,100	-	5,100
Total deferred outflows of resources	152,825	-	152,825
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	30,597	-	30,597
Accrued interest payable	30,715	-	30,715
Compensated absences	21,394	-	21,394
Current portion of lease payable	2,462	-	2,462
Current portion of bonds and notes payable	541,624	-	541,624
Current portion of total OPEB liability	2,132	-	2,132
Total current liabilities	628,924	-	628,924
Noncurrent liabilities			
Lease payable	1,867	-	1,867
Bonds and notes payable	7,562,651	-	7,562,651
Net pension liability	308,073	-	308,073
Total OPEB liability	13,629	-	13,629
Total noncurrent liabilities	7,886,220	-	7,886,220
Total liabilities	8,515,144	-	8,515,144
DEFERRED INFLOW OF RESOURCES			
Pension related items	107,141	-	107,141
Other postemployment benefit related items	5,143	-	5,143
Total deferred inflows of resources	112,284	-	112,284
NET POSITION			
Net investment in capital assets	10,536,130	-	10,536,130
Restricted for:			
System development	-	541,549	541,549
Net OPEB benefits	6,180	-	6,180
Unrestricted	1,987,912	-	1,987,912
Total net position	\$ 12,530,222	\$ 541,549	\$ 13,071,771

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER FUND
Year Ended June 30, 2023

	<u>Wastewater</u>	<u>Wastewater System Development Charges</u>	<u>Eliminations</u>	<u>Total Wastewater Fund</u>
Operating revenues				
Charges for services	\$ 3,708,293	\$ -	\$ -	\$ 3,708,293
Total operating revenues	<u>3,708,293</u>	<u>-</u>	<u>-</u>	<u>3,708,293</u>
Operating expenses				
Personnel services	401,107	-	-	401,107
Materials and services	1,995,208	446	-	1,995,654
Depreciation and amortization	<u>1,038,659</u>	<u>-</u>	<u>-</u>	<u>1,038,659</u>
Total operating expenses	<u>3,434,974</u>	<u>446</u>	<u>-</u>	<u>3,435,420</u>
Operating income (loss)	<u>273,319</u>	<u>(446)</u>	<u>-</u>	<u>272,873</u>
Nonoperating revenues (expenses)				
Interest income	61,945	12,702	-	74,647
Miscellaneous	37,419	-	-	37,419
Interest expense	<u>(81,039)</u>	<u>-</u>	<u>-</u>	<u>(81,039)</u>
Total nonoperating revenues (expenses)	<u>18,325</u>	<u>12,702</u>	<u>-</u>	<u>31,027</u>
Income (loss) before capital contributions and transfers	291,644	12,256	-	303,900
Capital contributions	-	207,084	-	207,084
Transfers in	200,000	-	(200,000)	-
Transfers out	<u>-</u>	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>
Change in net position	491,644	19,340	-	510,984
Net position at beginning of year	<u>12,038,578</u>	<u>522,209</u>	<u>-</u>	<u>12,560,787</u>
Net position at end of year	<u>\$ 12,530,222</u>	<u>\$ 541,549</u>	<u>\$ -</u>	<u>\$ 13,071,771</u>

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
WASTEWATER FUND
Year Ended June 30, 2023

	Wastewater System			Total Wastewater Fund
	Wastewater	Development Charges	Eliminations	
Cash flows from operating activities				
Receipts from customers and users	\$ 3,690,664	\$ -	\$ -	\$ 3,690,664
Payments to suppliers	(2,067,816)	(446)	-	(2,068,262)
Payments to employees	(466,399)	-	-	(466,399)
Net cash provided by (used in) operating activities	<u>1,156,449</u>	<u>(446)</u>	<u>-</u>	<u>1,156,003</u>
Cash flows from noncapital financing activities				
Other receipts	37,419	-	-	37,419
Net cash provided by (used in) noncapital financing activities	<u>37,419</u>	<u>-</u>	<u>-</u>	<u>37,419</u>
Cash flows from capital and related financing activities				
Transfers in	200,000	-	(200,000)	-
Transfers out	-	(200,000)	200,000	-
System development charges received	-	138,285	-	138,285
Acquisition of capital assets	(1,021,281)	-	-	(1,021,281)
Issuance of long-term obligations	5,119,900	-	-	5,119,900
Principal paid on long-term obligations	(285,905)	-	-	(285,905)
Interest paid on long-term obligations	(63,311)	-	-	(63,311)
Net cash provided by (used in) capital and related financing activities	<u>3,949,403</u>	<u>(61,715)</u>	<u>-</u>	<u>3,887,688</u>
Cash flows from investing activities				
Interest on investments	61,945	12,702	-	74,647
Net cash provided by (used in) investing activities	<u>61,945</u>	<u>12,702</u>	<u>-</u>	<u>74,647</u>
Net increase (decrease) in cash and cash equivalents	5,205,216	(49,459)	-	5,155,757
Cash and cash equivalents at beginning of year	786,690	522,209	-	1,308,899
Cash and cash equivalents at end of year	<u>\$ 5,991,906</u>	<u>\$ 472,750</u>	<u>\$ -</u>	<u>\$ 6,464,656</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 273,319	\$ (446)	\$ -	\$ 272,873
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	1,038,659	-	-	1,038,659
(Increase) decrease in assets and deferred outflows:				
Receivables, net	(17,629)	-	-	(17,629)
Inventories	(154)	-	-	(154)
Net OPEB asset	(949)	-	-	(949)
Deferred outflows - Pension related items	24,702	-	-	24,702
Deferred outflows - OPEB related items	397	-	-	397
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(70,405)	-	-	(70,405)
Compensated absences liability	(7,432)	-	-	(7,432)
Lease payable	(2,049)	-	-	(2,049)
Net pension liability	39,603	-	-	39,603
Total OPEB liability	(4,526)	-	-	(4,526)
Deferred inflows - Pension related items	(118,214)	-	-	(118,214)
Deferred inflows - OPEB related items	1,127	-	-	1,127
Net cash provided by (used in) operating activities	<u>\$ 1,156,449</u>	<u>\$ (446)</u>	<u>\$ -</u>	<u>\$ 1,156,003</u>

CITY OF FLORENCE, OREGON
WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 6,750,400	\$ 6,750,400	\$ 3,449,746	\$ 3,728,506	\$ 7,178,252	\$ 427,852
Intergovernmental	3,070,900	3,070,900	281	-	281	(3,070,619)
Miscellaneous	11,100	11,100	71,896	99,364	171,260	160,160
Total revenues	<u>9,832,400</u>	<u>9,832,400</u>	<u>3,521,923</u>	<u>3,827,870</u>	<u>7,349,793</u>	<u>(2,482,607)</u>
Expenditures						
Personnel services	969,100	979,100	482,611	466,399	949,010	30,090
Materials and services	3,811,400	3,841,400	1,840,158	1,989,689	3,829,847	11,553
Capital outlay	5,660,000	5,620,000	207,229	1,029,003	1,236,232	4,383,768
Debt service	874,100	874,100	320,252	349,218	669,470	204,630
Contingency	1,527,400	1,527,400	-	-	-	1,527,400
Total expenditures	<u>12,842,000</u>	<u>12,842,000</u>	<u>2,850,250</u>	<u>3,834,309</u>	<u>6,684,559</u>	<u>6,157,441</u>
Excess (deficiency) of revenues over expenditures	<u>(3,009,600)</u>	<u>(3,009,600)</u>	<u>671,673</u>	<u>(6,439)</u>	<u>665,234</u>	<u>3,674,834</u>
Other financing sources (uses)						
Issuance of long-term debt	2,610,000	2,610,000	-	5,119,900	5,119,900	2,509,900
Transfers in	200,000	200,000	-	200,000	200,000	-
Total other financing sources (uses)	<u>2,810,000</u>	<u>2,810,000</u>	<u>-</u>	<u>5,319,900</u>	<u>5,319,900</u>	<u>2,509,900</u>
Net change in fund balance	(199,600)	(199,600)	671,673	5,313,461	5,985,134	6,184,734
Fund balance at beginning of year/biennium	<u>199,600</u>	<u>199,600</u>	<u>311,316</u>	<u>982,989</u>	<u>311,316</u>	<u>111,716</u>
Fund balance at end of year/biennium	\$ -	\$ -	982,989	6,296,450	\$ 6,296,450	\$ 6,296,450
Reconciliation to generally accepted accounting principles						
Wastewater Fund is budgeted as an individual fund but is combined with the Wastewater System Development Fund for GAAP reporting			522,209	477,898		
Inventory			15,721	15,875		
Capital assets, net			14,673,101	14,655,723		
Net OPEB asset			5,231	6,180		
Deferred outflows related to pensions			172,427	147,725		
Deferred outflows related to OPEB			5,497	5,100		
Accrued interest payable			(11,583)	(30,715)		
Compensated absences			(28,826)	(21,394)		
Lease liability			(6,378)	(4,329)		
Bonds and notes payable			(3,271,686)	(8,104,275)		
Net pension liability			(268,470)	(308,073)		
Total OPEB liability			(20,287)	(15,761)		
Unavailable revenues			20,213	63,651		
Deferred inflows related to pensions			(225,355)	(107,141)		
Deferred inflows related to OPEB			(4,016)	(5,143)		
Net position at end of year - GAAP basis			\$ 12,560,787	\$ 13,071,771		

CITY OF FLORENCE, OREGON
WASTEWATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 360,000	\$ 292,860	\$ 143,433	\$ 436,293	\$ 76,293
Miscellaneous	4,000	1,635	12,702	14,337	10,337
Total revenues	<u>364,000</u>	<u>294,495</u>	<u>156,135</u>	<u>450,630</u>	<u>86,630</u>
Expenditures					
Materials and services	2,200	715	446	1,161	1,039
Contingency	359,300	-	-	-	359,300
Total expenditures	<u>361,500</u>	<u>715</u>	<u>446</u>	<u>1,161</u>	<u>360,339</u>
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>293,780</u>	<u>155,689</u>	<u>449,469</u>	<u>446,969</u>
Other financing sources (uses)					
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(197,500)	293,780	(44,311)	249,469	446,969
Fund balance at beginning of year/biennium	<u>197,500</u>	<u>228,429</u>	<u>522,209</u>	<u>228,429</u>	<u>30,929</u>
Fund balance at end of year/biennium	\$ <u>-</u>	522,209	477,898	\$ <u>477,898</u>	\$ <u>477,898</u>
Reconciliation to generally accepted accounting principles					
Wastewater System Development Fund is budgeted as an individual fund but is combined with the Wastewater Fund for GAAP reporting.		<u>(522,209)</u>	<u>(477,898)</u>		
Fund balance at end of year - GAAP basis		\$ <u>-</u>	\$ <u>-</u>		

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
STORMWATER FUND
June 30, 2023

	Stormwater	Stormwater System Development Charges	Total Stormwater Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,262,511	\$ 149,906	\$ 1,412,417
Receivables, net	53,506	17,570	71,076
Total current assets	1,316,017	167,476	1,483,493
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable	35,659	-	35,659
Capital assets, net of accumulated depreciation	2,370,517	-	2,370,517
Total capital assets	2,406,176	-	2,406,176
Net OPEB asset	3,094	-	3,094
Total noncurrent assets	2,409,270	-	3,094
Total assets	3,725,287	167,476	3,892,763
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	73,965	-	73,965
Other postemployment benefit related items	2,554	-	2,554
Total deferred outflows of resources	76,519	-	76,519
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	2,515	-	2,515
Accrued interest payable	2,853	-	2,853
Retainage payable	5,223	-	5,223
Compensated absences	7,334	-	7,334
Current portion of bonds and notes payable	37,937	-	37,937
Current portion of total OPEB liability	1,068	-	1,068
Total current liabilities	56,930	-	56,930
Noncurrent liabilities			
Bonds and notes payable	733,944	-	733,944
Net pension liability	154,250	-	154,250
Total OPEB liability	6,824	-	6,824
Total noncurrent liabilities	895,018	-	895,018
Total liabilities	951,948	-	951,948
DEFERRED INFLOW OF RESOURCES			
Pension related items	53,644	-	53,644
Other postemployment benefit related items	2,575	-	2,575
Total deferred inflows of resources	56,219	-	56,219
NET POSITION			
Net investment in capital assets	2,126,643	-	2,126,643
Restricted for:			
System development	34,881	167,476	202,357
Net OPEB benefits	3,094	-	3,094
Unrestricted	629,021	-	629,021
Total net position	\$ 2,793,639	\$ 167,476	\$ 2,961,115

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
STORMWATER FUND
Year Ended June 30, 2023

	<u>Stormwater</u>	<u>Stormwater System Development Charges</u>	<u>Eliminations</u>	<u>Total Stormwater Fund</u>
Operating revenues				
Charges for services	\$ 589,902	\$ -	\$ -	\$ 589,902
Total operating revenues	<u>589,902</u>	<u>-</u>	<u>-</u>	<u>589,902</u>
Operating expenses				
Personnel services	245,536	-	-	245,536
Materials and services	312,662	203	-	312,865
Depreciation and amortization	<u>113,405</u>	<u>-</u>	<u>-</u>	<u>113,405</u>
Total operating expenses	<u>671,603</u>	<u>203</u>	<u>-</u>	<u>671,806</u>
Operating income (loss)	<u>(81,701)</u>	<u>(203)</u>	<u>-</u>	<u>(81,904)</u>
Nonoperating revenues (expenses)				
Interest income	20,775	4,482	-	25,257
Miscellaneous	2,078	-	-	2,078
Interest expense	<u>(10,728)</u>	<u>-</u>	<u>-</u>	<u>(10,728)</u>
Total nonoperating revenues (expenses)	<u>12,125</u>	<u>4,482</u>	<u>-</u>	<u>16,607</u>
Income (loss) before capital contributions and transfers	(69,576)	4,279	-	(65,297)
Capital contributions	-	69,191	-	69,191
Transfers in	100,000	-	(100,000)	-
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Change in net position	30,424	(26,530)	-	3,894
Net position at beginning of year	2,644,591	194,006	-	2,838,597
Prior period adjustment - Note 3	<u>118,624</u>	<u>-</u>	<u>-</u>	<u>118,624</u>
Net position at beginning of year, as restated	<u>2,763,215</u>	<u>194,006</u>	<u>-</u>	<u>2,957,221</u>
Net position at end of year	<u>\$ 2,793,639</u>	<u>\$ 167,476</u>	<u>\$ -</u>	<u>\$ 2,961,115</u>

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
STORMWATER FUND
Year Ended June 30, 2023

	Stormwater	Stormwater System Development Charges	Eliminations	Total Stormwater Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 591,792	\$ -	\$ -	\$ 591,792
Payments to suppliers	(322,157)	(203)	-	(322,360)
Payments to employees	(238,927)	-	-	(238,927)
Net cash provided by (used in) operating activities	<u>30,708</u>	<u>(203)</u>	<u>-</u>	<u>30,505</u>
Cash flows from noncapital financing activities				
Other receipts	<u>2,078</u>	<u>-</u>	<u>-</u>	<u>2,078</u>
Net cash provided by (used in) noncapital financing activities	<u>2,078</u>	<u>-</u>	<u>-</u>	<u>2,078</u>
Cash flows from capital and related financing activities				
Transfers in	100,000	-	(100,000)	-
Transfers out	-	(100,000)	100,000	-
System development charges received	-	51,621	-	51,621
Acquisition of capital assets	(35,659)	-	-	(35,659)
Issuance of long-term obligations	600,000	-	-	600,000
Principal paid on long-term obligations	(17,500)	-	-	(17,500)
Interest paid on long-term obligations	(9,131)	-	-	(9,131)
Net cash provided by (used in) capital and related financing activities	<u>637,710</u>	<u>(48,379)</u>	<u>-</u>	<u>589,331</u>
Cash flows from investing activities				
Interest on investments	<u>20,775</u>	<u>4,482</u>	<u>-</u>	<u>25,257</u>
Net cash provided by (used in) investing activities	<u>20,775</u>	<u>4,482</u>	<u>-</u>	<u>25,257</u>
Net increase (decrease) in cash and cash equivalents	691,271	(44,100)	-	647,171
Cash and cash equivalents at beginning of year	<u>571,240</u>	<u>194,006</u>	<u>-</u>	<u>765,246</u>
Cash and cash equivalents at end of year	<u>\$ 1,262,511</u>	<u>\$ 149,906</u>	<u>\$ -</u>	<u>\$ 1,412,417</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (81,701)	\$ (203)	\$ -	\$ (81,904)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	113,405	-	-	113,405
(Increase) decrease in assets and deferred outflows:				
Receivables, net	1,890	-	-	1,890
Net other postemployment benefits asset	(1,034)	-	-	(1,034)
Deferred outflows - Pension related items	(6,050)	-	-	(6,050)
Deferred outflows - OPEB related items	(389)	-	-	(389)
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(9,495)	-	-	(9,495)
Compensated absences liability	(200)	-	-	(200)
Net pension liability	48,506	-	-	48,506
Total other postemployment benefits liability	(99)	-	-	(99)
Deferred inflows - Pension related items	(35,118)	-	-	(35,118)
Deferred inflows - OPEB related items	993	-	-	993
Net cash provided by (used in) operating activities	<u>\$ 30,708</u>	<u>\$ (203)</u>	<u>\$ -</u>	<u>\$ 30,505</u>

CITY OF FLORENCE, OREGON
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 1,177,900	\$ 1,177,900	\$ 581,684	\$ 595,876	\$ 1,177,560	\$ (340)
Intergovernmental	960,000	960,000	18	-	18	(959,982)
Miscellaneous	1,000	1,000	2,822	22,853	25,675	24,675
Total revenues	2,138,900	2,138,900	584,524	618,729	1,203,253	(935,647)
Expenditures						
Personnel services	472,400	472,400	216,006	238,928	454,934	17,466
Materials and services	583,700	653,700	299,254	312,045	611,299	42,401
Capital outlay	1,910,000	1,840,000	139,549	36,276	175,825	1,664,175
Debt service	140,300	140,300	23,651	26,629	50,280	90,020
Contingency	594,900	594,900	-	-	-	594,900
Total expenditures	3,701,300	3,701,300	678,460	613,878	1,292,338	2,408,962
Excess (deficiency) of revenues over expenditures	(1,562,400)	(1,562,400)	(93,936)	4,851	(89,085)	1,473,315
Other financing sources (uses)						
Issuance of long-term debt	840,000	840,000	-	600,000	600,000	(240,000)
Transfers in	200,000	200,000	100,000	100,000	200,000	-
Total other financing sources (uses)	1,040,000	1,040,000	100,000	700,000	800,000	(240,000)
Net change in fund balance	(522,400)	(522,400)	6,064	704,851	710,915	1,233,315
Fund balance at beginning of year/biennium	522,400	522,400	597,364	603,428	597,364	74,964
Fund balance at end of year/biennium	\$ -	\$ -	603,428	1,308,279	\$ 1,308,279	\$ 1,308,279
Reconciliation to generally accepted accounting principles						
Stormwater Fund is budgeted as an individual fund but is combined with the Stormwater System Development Fund for GAAP reporting			194,006	152,274		
Capital assets, net			2,365,298	2,406,176		
Net OPEB asset			2,060	3,094		
Deferred outflows related to pensions			67,915	73,965		
Deferred outflows related to OPEB			2,165	2,554		
Accrued interest payable			(560)	(2,853)		
Compensated absences			(7,534)	(7,334)		
Bonds and notes payable			(190,076)	(771,881)		
Net pension liability			(105,744)	(154,250)		
Total OPEB liability			(7,991)	(7,892)		
Unavailable revenues			5,974	15,202		
Deferred inflows related to pensions			(88,762)	(53,644)		
Deferred inflows related to OPEB			(1,582)	(2,575)		
Net position at end of year - GAAP basis			\$ 2,838,597	\$ 2,961,115		

CITY OF FLORENCE, OREGON
STORMWATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 150,000	\$ 81,712	\$ 53,989	\$ 135,701	\$ (14,299)
Miscellaneous	3,000	1,068	4,482	5,550	2,550
Total revenues	153,000	82,780	58,471	141,251	(11,749)
Expenditures					
Materials and services	1,000	655	203	858	142
Contingency	341,000	-	-	-	341,000
Total expenditures	342,000	655	203	858	341,142
Excess (deficiency) of revenues over expenditures	(189,000)	82,125	58,268	140,393	329,393
Other financing sources (uses)					
Transfers out	(200,000)	(100,000)	(100,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(100,000)	(100,000)	(200,000)	-
Net change in fund balance	(389,000)	(17,875)	(41,732)	(59,607)	329,393
Fund balance at beginning of year/biennium	389,000	211,881	194,006	211,881	(177,119)
Fund balance at end of year/biennium	\$ -	194,006	152,274	\$ 152,274	\$ 152,274
Reconciliation to generally accepted accounting principles					
Stormwater System Development Fund is budgeted as an individual fund but is combined with the Stormwater Fund for GAAP reporting.		(194,006)	(152,274)		
Fund balance at end of year - GAAP basis	\$ -	\$ -			

CITY OF FLORENCE, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget		Actual		Total	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 120,000	\$ 120,000	\$ 73,322	\$ 87,802	\$ 161,124	\$ 41,124
Intergovernmental	613,500	709,500	613,731	112,797	726,528	17,028
Miscellaneous	395,600	195,600	64,576	68,701	133,277	(62,323)
Total revenues	1,129,100	1,025,100	751,629	269,300	1,020,929	(4,171)
Expenditures						
Materials and services	369,600	465,600	187,120	203,846	390,966	74,634
Capital outlay	600,000	600,000	398,441	128,557	526,998	73,002
Contingency	175,000	175,000	-	-	-	175,000
Total expenditures	1,144,600	1,240,600	585,561	332,403	917,964	322,636
Excess (deficiency) of revenues over expenditures	(15,500)	(215,500)	166,068	(63,103)	102,965	318,465
Other financing sources (uses)						
Sale of capital assets	-	200,000	224,114	-	224,114	24,114
Transfers in	-	-	-	48,000	48,000	48,000
Total other financing sources (uses)	-	200,000	224,114	48,000	272,114	72,114
Net change in fund balance	(15,500)	(15,500)	390,182	(15,103)	375,079	390,579
Fund balance at beginning of year/biennium	15,500	15,500	(86,696)	303,486	(86,696)	(102,196)
Fund balance at end of year/biennium	\$ -	\$ -	303,486	288,383	\$ 288,383	\$ 288,383
Reconciliation to generally accepted accounting principles						
Inventory			23,366	20,824		
Capital assets, net			3,803,836	3,738,958		
Lease receivable			310,734	297,885		
Unavailable revenues			-	1,889		
Deferred inflows - leases			(310,734)	(297,885)		
Net position at end of year - GAAP basis			\$ 4,130,688	\$ 4,050,054		

CITY OF FLORENCE, OREGON
EVENTS CENTER FUND (NONMAJOR)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 572,200	\$ 140,445	\$ 388,570	\$ 529,015	\$ (43,185)
Intergovernmental	467,700	137,734	149,745	287,479	(180,221)
Miscellaneous	73,000	99,355	159,150	258,505	185,505
Total revenues	<u>1,112,900</u>	<u>377,534</u>	<u>697,465</u>	<u>1,074,999</u>	<u>(37,901)</u>
Expenditures					
Personnel services	532,000	142,672	294,433	437,105	94,895
Materials and services	1,249,500	472,874	823,061	1,295,935	(46,435)
Capital outlay	1,162,000	20,600	31,997	52,597	1,109,403
Debt service	95,000	-	-	-	95,000
Contingency	217,600	-	-	-	217,600
Total expenditures	<u>3,256,100</u>	<u>636,146</u>	<u>1,149,491</u>	<u>1,785,637</u>	<u>1,470,463</u>
Excess (deficiency) of revenues over expenditures	<u>(2,143,200)</u>	<u>(258,612)</u>	<u>(452,026)</u>	<u>(710,638)</u>	<u>1,432,562</u>
Other financing sources (uses)					
Issuance of long-term debt	1,200,000	-	-	-	(1,200,000)
Transfers in	544,600	307,635	499,869	807,504	262,904
Total other financing sources (uses)	<u>1,744,600</u>	<u>307,635</u>	<u>499,869</u>	<u>807,504</u>	<u>(937,096)</u>
Net change in fund balance	(398,600)	49,023	47,843	96,866	495,466
Fund balance at beginning of year/biennium	398,600	446,120	495,143	446,120	47,520
Fund balance at end of year/biennium	\$ -	495,143	542,986	\$ 542,986	\$ 542,986
Reconciliation to generally accepted accounting principles					
Capital assets, net		1,660,908	1,563,655		
Net OPEB asset		1,469	1,613		
Deferred outflows related to pensions		48,437	38,545		
Deferred outflows related to OPEB		1,544	1,331		
Compensated absences		(5,381)	(9,143)		
Net pension liability		(75,417)	(80,383)		
Total OPEB liability		(5,699)	(4,113)		
Deferred inflows related to pensions		(63,305)	(27,955)		
Deferred inflows related to OPEB		(1,128)	(1,342)		
Net position at end of year - GAAP basis		\$ 2,056,571	\$ 2,025,194		

CITY OF FLORENCE, OREGON
PUBLIC WORKS ADMIN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Budget	Actual		Total	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 2,968,500	\$ 1,343,301	\$ 1,641,621	\$ 2,984,922	\$ 16,422
Intergovernmental	265,400	7,378	250,000	257,378	(8,022)
Miscellaneous	-	941	44,004	44,945	44,945
Total revenues	<u>3,233,900</u>	<u>1,351,620</u>	<u>1,935,625</u>	<u>3,287,245</u>	<u>53,345</u>
Expenditures					
Personnel services	1,784,500	745,474	772,058	1,517,532	266,968
Materials and services	766,800	334,259	359,152	693,411	73,389
Capital outlay	770,000	103,361	198,580	301,941	468,059
Contingency	65,500	-	-	-	65,500
Total expenditures	<u>3,386,800</u>	<u>1,183,094</u>	<u>1,329,790</u>	<u>2,512,884</u>	<u>873,916</u>
Excess (deficiency) of revenues over expenditures	<u>(152,900)</u>	<u>168,526</u>	<u>605,835</u>	<u>774,361</u>	<u>927,261</u>
Other financing sources (uses)					
Issuance of long-term debt	520,000	-	398,400	398,400	(121,600)
Transfers out	(477,000)	(219,610)	(221,312)	(440,922)	36,078
Total other financing sources (uses)	<u>43,000</u>	<u>(219,610)</u>	<u>177,088</u>	<u>(42,522)</u>	<u>(85,522)</u>
Net change in fund balance	(109,900)	(51,084)	782,923	731,839	841,739
Fund balance at beginning of year/biennium	<u>109,900</u>	<u>102,954</u>	<u>51,870</u>	<u>102,954</u>	<u>(6,946)</u>
Fund balance at end of year/biennium	\$ -	51,870	834,793	\$ 834,793	\$ 834,793
Reconciliation to generally accepted accounting principles					
Capital assets, net		3,966,652	3,940,850		
Net OPEB asset		7,674	10,143		
Deferred outflows related to pensions		252,945	242,454		
Deferred outflows related to OPEB		8,065	8,371		
Accrued interest payable		(6,260)	(7,452)		
Compensated absences		(63,358)	(68,157)		
Bonds and notes payable		(2,573,367)	(2,827,228)		
Net pension liability		(393,839)	(505,626)		
Total OPEB liability		(29,761)	(25,869)		
Deferred inflows related to pensions		(330,589)	(175,845)		
Deferred inflows related to OPEB		(5,891)	(8,442)		
Net position at end of year - GAAP basis		\$ 884,141	\$ 1,417,992		

STATISTICAL SECTION

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Schedule 1
CITY OF FLORENCE, OREGON
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 7,806,799	\$ 9,045,594	\$ 8,749,180	\$ 8,085,240	\$ 8,006,878	\$ 9,679,655	\$ 12,397,367	\$ 14,532,904	\$ 15,914,226	\$ 15,539,326
Restricted	2,277,005	2,393,646	1,550,089	3,293,378	2,134,564	5,947,813	3,486,628	1,781,734	1,999,828	3,656,057
Unrestricted	4,735,280	3,432,140	1,748,741	1,313,947	2,668,369	603,247	255,367	44,109	579,432	170,039
Total governmental activities net position	14,819,084	14,871,380	12,048,010	12,694,565	12,809,811	16,230,715	16,139,362	16,358,747	18,493,486	19,365,422
Business-type Activities										
Net investment in capital assets	16,092,100	17,175,593	19,600,617	19,297,256	23,816,426	26,174,884	27,375,453	29,267,265	29,192,130	26,463,581
Restricted	835,798	1,270,735	1,057,007	1,123,542	940,845	943,472	1,049,695	1,029,658	1,227,169	1,089,592
Unrestricted	2,918,049	3,074,893	3,050,498	5,032,928	2,407,575	1,575,438	851,146	(26,359)	1,045,160	4,647,857
Total business-type activities net position	19,845,947	21,521,221	23,708,122	25,453,726	27,164,846	28,693,794	29,276,294	30,270,564	31,464,459	32,201,030
Total City of Florence										
Net investment in capital assets	23,898,899	26,221,187	28,349,797	27,382,496	31,823,304	35,854,539	39,772,820	43,800,169	45,106,356	42,002,907
Restricted	3,112,803	3,664,381	2,607,096	4,418,920	3,075,409	6,891,285	4,536,323	2,811,392	3,226,997	4,745,649
Unrestricted	7,653,329	6,507,033	4,799,239	6,346,875	5,075,944	2,178,685	1,106,513	17,750	1,624,592	4,817,896
Total City of Florence net position	\$ 34,665,031	\$ 36,392,601	\$ 35,756,132	\$ 38,148,291	\$ 39,974,657	\$ 44,924,509	\$ 45,415,656	\$ 46,629,311	\$ 49,957,945	\$ 51,566,452

Source: City of Florence Audited Financial Statements.

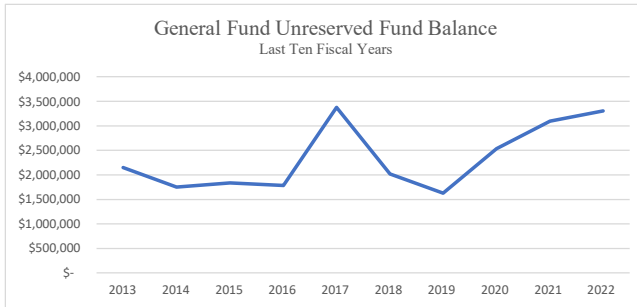
Schedule 2
CITY OF FLORENCE, OREGON
CHANGES IN NET POSITION
 Last Ten Fiscal Years (thousands)
 (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Administration	\$ 1,019,476	\$ 986,949	\$ 1,423,748	\$ 1,425,135	\$ 1,816,801	\$ 2,029,060	\$ 2,216,213	\$ 2,601,893	\$ 2,451,872	\$ 3,223,099
Community development	534,384	715,076	1,376,252	1,122,411	814,792	830,721	801,269	1,012,867	920,504	1,301,985
Public Safety	2,775,343	2,662,133	3,696,842	3,624,860	3,172,966	3,247,340	3,521,290	3,837,381	3,481,115	3,911,683
Parks	177,293	175,572	164,905	174,977	172,065	205,266	258,707	261,353	297,214	405,907
Transportation	825,052	803,012	912,297	920,785	1,016,683	1,058,870	1,208,977	1,281,447	921,529	1,622,142
Non-departmental	-	-	-	-	405,137	395,052	115,055	136,136	685,874	407,421
Interest on long-term debt	178,899	206,611	355,761	211,975	258,623	329,086	415,731	398,275	381,376	360,309
Total governmental activities	5,510,447	5,549,353	7,929,805	7,480,143	7,657,067	8,095,395	8,537,242	9,529,352	9,139,484	11,232,546
Business-type activities										
Water	1,618,232	1,327,709	1,621,414	1,685,517	1,841,688	1,985,964	2,141,121	2,045,635	2,152,585	3,214,676
Wastewater	2,014,310	1,948,766	2,508,116	2,327,154	2,407,923	2,667,424	2,948,543	2,784,746	2,987,245	4,070,908
Stormwater	194,736	160,751	217,544	211,443	262,831	366,590	473,219	442,297	629,625	822,121
Events Center	631,063	697,132	860,264	932,866	864,686	800,512	774,499	370,584	557,317	1,269,829
Airport	178,068	169,861	167,378	166,376	202,901	197,856	263,277	273,677	317,160	444,729
Total business-type activities	4,636,409	4,304,219	5,374,716	5,323,356	5,580,029	6,018,346	6,600,659	5,916,939	6,643,932	9,822,263
Total Expenses	\$ 10,146,856	\$ 9,853,572	\$ 13,304,521	\$ 12,803,499	\$ 13,237,096	\$ 14,113,741	\$ 15,137,901	\$ 15,446,291	\$ 15,783,416	\$ 21,054,809
Program Revenues										
Governmental activities										
Charges for services:										
Administration	\$ 598,311	\$ 713,696	\$ 686,608	\$ 703,566	\$ 753,794	\$ 718,130	\$ 1,028,731	\$ 674,278	\$ 474,712	\$ 1,947,377
Community development	-	-	3,025	-	-	-	-	-	461,709	425,289
Public safety	175,902	145,779	145,867	298,350	374,369	285,524	246,949	292,233	263,382	497,308
Parks	-	-	-	-	-	-	500,082	617,690	537,241	52,400
Transportation	317,840	310,063	332,695	340,762	390,019	466,720	-	-	-	868,266
Non-departmental	-	-	-	-	-	-	-	-	-	31,400
Operating grants and contributions	1,019,322	170,974	951,743	754,614	1,123,568	1,386,899	1,073,822	1,700,178	2,839,237	793,641
Capital grants and contributions	111,826	248,191	29,342	1,443,244	84,630	3,224,944	390,245	563,062	576,647	1,161,689
Total governmental activities	2,223,201	1,588,703	2,149,280	3,540,536	2,726,380	6,082,217	3,239,829	3,847,441	5,152,928	5,777,370
Business-type activities										
Water	2,018,879	2,112,750	2,207,751	2,126,622	2,229,385	2,166,627	2,271,239	2,386,465	2,255,258	2,805,157
Wastewater	2,906,147	3,006,947	3,138,562	3,114,118	3,472,585	3,260,296	3,370,135	3,352,281	3,510,382	4,220,693
Stormwater	506,606	512,494	522,140	528,209	540,219	538,824	564,102	560,853	581,686	718,902
Events Center	296,985	318,218	338,038	339,053	446,959	390,883	315,538	43,557	233,833	426,570
Airport	84,765	79,475	99,578	164,237	194,110	154,937	135,192	122,203	350,601	131,191
Operating grants and contributions	-	-	192,476	-	-	2,500	12,256	264,871	246,875	149,745
Capital grants and contributions	487,939	379,416	266,673	442,606	498,519	1,319,990	721,585	708,621	1,250,447	545,718
Total business-type activities	6,301,321	6,409,300	6,765,218	6,714,845	7,381,777	7,834,057	7,390,047	7,438,851	8,429,082	8,997,976
Total Program Revenues	\$ 8,524,522	\$ 7,998,003	\$ 8,914,498	\$ 10,255,381	\$ 10,108,157	\$ 13,916,274	\$ 10,629,876	\$ 11,286,292	\$ 13,582,010	\$ 14,775,346
Net (Expense)/Revenue										
Governmental activities	\$ (3,287,246)	\$ (3,960,650)	\$ (5,780,525)	\$ (3,939,607)	\$ (4,930,687)	\$ (2,013,178)	\$ (5,297,413)	\$ (5,681,911)	\$ (3,986,556)	\$ (5,455,176)
Business-type activities	1,664,912	2,105,081	1,390,502	1,391,489	1,801,748	1,815,711	789,388	1,521,912	1,785,150	(824,287)
Total Net (Expense)/Revenue	\$ (1,622,334)	\$ (1,855,569)	\$ (4,390,023)	\$ (2,548,118)	\$ (3,128,939)	\$ (197,467)	\$ (4,508,025)	\$ (4,159,999)	\$ (2,201,406)	\$ (6,279,463)
General Revenues and Transfers										
Governmental activities										
Taxes:										
Property taxes	\$ 2,930,383	\$ 2,678,996	\$ 2,784,247	\$ 2,965,478	\$ 3,046,132	\$ 3,230,831	\$ 3,385,338	\$ 3,563,559	\$ 3,668,544	\$ 3,824,311
Franchise taxes & other taxes	768,863	1,301,961	527,434	1,149,316	1,028,691	1,144,253	1,115,569	1,260,683	1,155,215	1,432,086
Transient lodging tax	-	319,287	367,729	352,748	409,343	414,195	294,222	489,891	562,801	618,289
Grants & contributions not restricted	-	-	-	(181,101)	-	-	-	-	-	-
Unrestricted investment earnings	46,151	29,839	33,158	65,758	95,141	85,203	116,456	36,275	30,721	203,344
Transfers in (out)	427,475	362,221	393,249	129,500	238,800	559,600	294,475	550,889	618,040	(682,360)
Total governmental activities	4,172,872	4,692,304	4,105,817	4,481,699	4,818,107	5,434,082	5,206,060	5,901,297	6,035,321	5,395,670
Business-type activities										
Taxes:										
Property taxes	-	191,764	-	-	-	-	-	-	-	-
Grants & contributions not restricted	-	-	-	181,101	-	-	-	-	-	250,000
Unrestricted investment earnings	31,407	32,496	40,989	79,047	95,833	136,824	87,587	23,247	26,861	503,217
Transfers in (out)	(427,475)	(362,221)	(393,249)	(129,500)	(238,800)	(559,600)	(294,475)	(550,889)	(618,040)	682,360
Total business-type activities	(396,068)	(137,961)	(352,260)	130,648	(142,967)	(422,776)	(206,888)	(527,642)	(591,179)	1,435,577
Total General Revenues and Transfers	\$ 3,776,804	\$ 4,554,343	\$ 3,753,557	\$ 4,612,347	\$ 4,675,140	\$ 5,011,306	\$ 4,999,172	\$ 5,373,655	\$ 5,444,142	\$ 6,831,247
Change in Net Position										
Governmental activities	\$ 885,626	\$ 731,654	\$ (1,674,708)	\$ 542,092	\$ (112,580)	\$ 3,420,904	\$ (91,353)	\$ 219,386	\$ 2,048,765	\$ (59,506)
Business-type activities	1,268,844	1,967,120	1,038,242	1,522,137	1,658,781	1,392,935	582,500	994,270	1,193,971	611,290
Total Change in Net Position	\$ 2,154,470	\$ 2,698,774	\$ (636,466)	\$ 2,064,229	\$ 1,546,201	\$ 4,813,839	\$ 491,147	\$ 1,213,656	\$ 3,242,736	\$ 551,784
Net position - beginning	32,510,561	34,665,031	36,392,601	35,756,132	38,148,291	39,974,657	44,924,509	45,415,656	46,629,312	49,957,945
Prior period adjustments	-	(971,204)	(3)	327,930	280,165	136,013	-	-	85,897	1,047,224
Net position - ending	\$ 34,665,031	\$ 36,392,601	\$ 35,756,132	\$ 38,148,291	\$ 39,974,657	\$ 44,924,509	\$ 45,415,656	\$ 46,629,312	\$ 49,957,945	\$ 51,556,953

Source: City of Florence Audited Financial Statements

Schedule 3
CITY OF FLORENCE, OREGON
GOVERNMENTAL FUND BALANCES
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 47,140	\$ 53,383	\$ 1,633,553	\$ 66,842	\$ 588,890	\$ 91,642	\$ 79,764	\$ 10,627	\$ -	\$ 173,978
Committed	280,000	280,000	-	-	-	-	-	-	-	-
Unassigned	2,151,094	1,751,988	1,834,013	1,787,273	3,376,255	2,018,179	1,628,141	2,537,487	3,097,136	3,305,984
All other governmental funds										
Nonspendable	276,177	10,839	10,609	3,238,131	3,487,440	-	-	250	24,750	38,612
Restricted	1,501,489	2,473,646	1,950,972	3,284,539	2,134,564	12,591,218	3,446,395	1,757,856	1,949,120	2,797,400
Committed	941,176	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(1,386,206)	(3,227,292)	(3,987,440)	(6,990,048)	80,640	-	-	-
Total all other governmental funds	2,718,842	2,484,485	575,375	3,295,378	1,634,564	5,601,170	3,527,035	1,758,106	1,973,870	2,836,012
Total fund balances of governmental funds	\$5,197,076	\$4,569,856	\$4,042,941	\$5,149,493	\$5,599,709	\$7,710,991	\$5,234,940	\$4,306,220	\$5,071,006	\$6,315,974



General Fund Unreserved/Unassigned Fund Balance and Annual Percentage Change

Last Ten Fiscal Years		
Fiscal Year	Fund Balance	% Change
2013	\$ 2,151,094	-
2014	1,751,988	-18.55%
2015	1,834,013	4.68%
2016	1,787,273	-2.55%
2017	3,376,255	88.91%
2018	2,018,179	-40.22%
2019	1,628,141	-19.33%
2020	2,537,487	55.85%
2021	3,097,136	22.06%
2022	3,305,984	6.74%

Source: City of Florence Audited Financial Statements

Schedule 3
CITY OF FLORENCE, OREGON
CHANGES IN GOVERNMENTAL FUND BALANCES
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 3,144,823	\$ 2,992,196	\$ 2,820,857	\$ 3,273,753	\$ 3,603,210	\$ 3,843,449	\$ 3,679,418	\$ 4,045,669	\$ 4,203,059	\$ 4,315,053
Franchise fees	486,086	481,719	527,434	917,267	1,028,691	1,144,253	1,115,568	1,260,683	1,155,215	1,124,092
Licenses and permits	584,210	334,337	335,309	378,089	281,348	258,469	286,683	325,952	451,723	413,686
Intergovernmental	978,013	1,096,795	917,171	1,258,612	1,162,749	4,500,588	1,491,895	2,228,891	3,517,424	2,263,324
Charges for services	199,994	462,352	486,671	795,971	1,114,150	989,088	2,549,990	2,795,167	2,474,573	2,779,018
Fines and forfeitures	274,705	255,566	211,265	205,114	230,361	214,989	217,781	195,258	151,288	156,064
Interest and miscellaneous	278,619	637,525	612,910	1,504,933	293,589	327,579	244,267	326,231	314,220	476,252
Total Revenues	5,946,450	6,260,490	5,911,617	8,333,739	7,714,098	11,278,415	9,585,602	11,177,851	12,267,502	11,527,489
Expenditures										
Current:										
Administration	952,122	1,056,843	1,267,781	1,350,257	1,805,071	2,032,231	2,168,073	2,515,552	2,518,897	2,935,457
Community development	510,173	691,025	1,280,823	1,011,828	740,316	766,367	714,557	813,720	910,720	1,248,389
Public safety	2,576,863	2,700,386	2,822,637	2,859,704	2,747,979	2,692,751	3,254,706	3,515,083	3,446,071	3,610,648
Parks	120,870	129,575	120,873	124,600	127,986	166,124	257,778	254,317	304,542	352,913
Transportation	291,450	285,152	317,833	322,250	331,997	364,660	715,823	738,242	522,926	946,471
Non-departmental	-	-	-	-	401,979	361,130	121,232	141,168	679,832	148,539
Capital outlay	460,613	1,429,465	1,177,377	3,582,557	3,682,675	5,451,140	3,155,287	2,638,523	1,706,417	874,218
Debt service										
Principal	702,913	747,872	2,803,679	513,153	700,803	698,817	944,218	942,303	969,039	691,413
Interest	230,266	209,613	341,164	314,122	358,876	432,963	474,192	485,235	463,126	361,413
Total Expenditures	5,845,270	7,249,931	10,132,167	10,078,471	10,897,682	12,966,183	11,805,866	12,044,143	11,521,570	11,169,461
Excess (Deficiency) of Revenues over Expenditures	101,180	(989,441)	(4,220,550)	(1,744,732)	(3,183,584)	(1,687,768)	(2,220,264)	(866,292)	745,932	358,028
Other financing sources (uses)										
Issuance of debt/loan proceeds	250,000	-	2,382,679	2,617,321	3,395,000	3,239,450	-	-	-	640,700
Transfers in	1,322,806	1,363,804	2,052,894	3,244,500	1,565,500	1,944,300	2,223,800	2,043,573	1,703,949	2,056,585
Transfers out	(895,331)	(1,001,583)	(741,935)	(3,115,000)	(1,326,700)	(1,384,700)	(2,479,587)	(2,106,001)	(1,791,974)	(2,738,945)
Total other financing sources (uses)	677,475	362,221	3,693,638	2,746,821	3,633,800	3,799,050	(255,787)	(62,428)	(88,025)	(41,660)
Net change in fund balance	\$ 778,655	\$ (627,220)	\$ (526,912)	\$ 1,002,089	\$ 450,216	\$ 2,111,282	\$ (2,476,051)	\$ (928,720)	\$ 657,907	\$ 316,368
Debt service as a percentage of noncapital expenditures	17.2%	16.4%	35.0%	12.4%	14.7%	14.9%	16.2%	14.8%	14.6%	10.2%

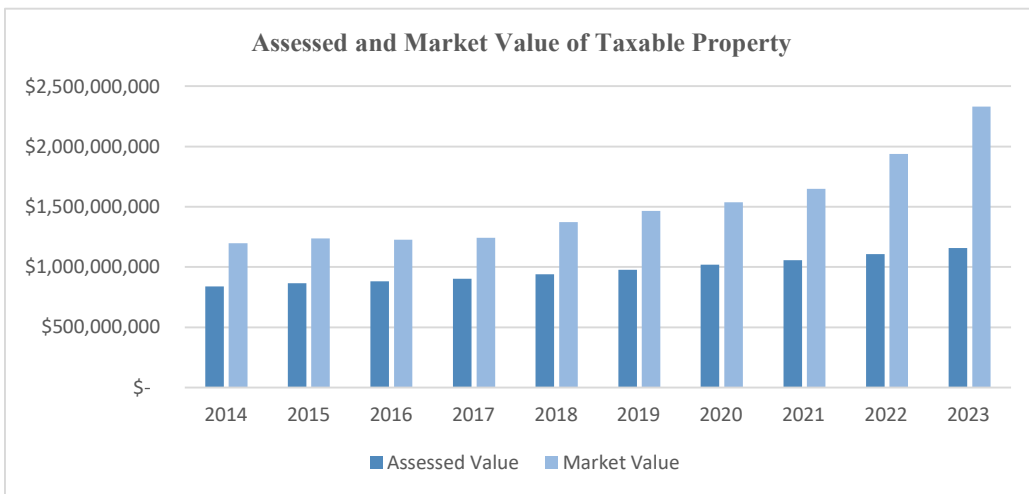
Source: City of Florence Audited Financial Statements

CITY OF FLORENCE, OREGON

ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxable Assessed Value	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2014	\$ 813,163,226	\$ 3.5393	\$ 24,385,105	\$ 837,548,331	\$ 1,197,822,022	69.92%
2015	838,040,607	3.4406	26,557,328	864,597,935	1,238,117,316	69.83%
2016	852,775,333	3.3252	28,220,985	880,996,318	1,226,269,574	71.84%
2017	871,894,882	3.3505	31,068,716	902,963,598	1,242,714,606	72.66%
2018	902,212,696	3.3943	37,714,565	939,927,261	1,371,856,710	68.51%
2019	933,720,234	3.4324	44,215,774	977,936,008	1,465,722,838	66.72%
2020	971,062,765	3.4300	48,395,956	1,019,458,721	1,536,830,998	66.34%
2021	1,006,642,419	3.4279	50,620,781	1,057,263,200	1,649,048,531	64.11%
2022	1,052,827,325	3.4004	55,354,336	1,108,181,661	1,936,882,815	57.21%
2023	1,088,472,785	3.3705	68,826,226	1,157,299,011	2,330,086,864	49.67%



Source: Lane County Tax Reports

CITY OF FLORENCE, OREGON
DIRECT AND OVERLAPPING TAX RATES¹

Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Florence Direct Rates										Overlapping Rates					Total Direct & Overlapping Rates
	City of Florence	Obligation Debt Service	Before Urban Renewal	Florence Urban Renewal	Total Direct Rate	Lane Community College	Lane ESD	Siuslaw School District 97J	Lane County	Port of Siuslaw	Siuslaw Public Library	Siuslaw Valley Fire & Rescue	Western Lane Ambulance			
2014	\$ 2,7778	\$ 0.4060	\$ 3.1838	\$ 0.3555	\$ 3.5393	\$ 0.8466	\$ 0.2168	\$ 5.3873	\$ 1.8973	\$ 0.1432	\$ 0.5013	\$ 0.9111	\$ 0.7605	\$ 14.2034		
2015	2,7732	0.2898	3.0630	0.3776	3.4406	0.8426	0.2164	5.3837	1.8921	0.1429	0.5005	1.1034	0.7600	14.2822		
2016	2,7694	0.1692	2.9386	0.3866	3.3252	0.8000	0.2161	5.3808	1.7884	0.1427	0.4998	1.1019	0.7596	14.0145		
2017	2,7626	0.1720	2.9346	0.4159	3.3505	0.8206	0.2156	5.3859	1.6303	0.1424	0.4986	1.0994	0.7588	13.9021		
2018	2,7463	0.1633	2.9096	0.4847	3.3943	0.8216	0.2143	5.3527	1.6230	0.1415	0.4956	1.0926	0.7570	13.8926		
2019	2,7317	0.1569	2.8886	0.5438	3.4324	0.8170	0.2132	5.2949	1.7515	0.1408	0.4930	1.0872	0.7554	13.9854		
2020	2,7252	0.1553	2.8805	0.5495	3.4300	0.8117	0.2127	4.4581	1.7836	0.1405	0.4918	1.4674	0.7547	13.5505		
2021	2,7241	0.1497	2.8738	0.5541	3.4279	0.9332	0.2126	4.4565	1.7831	0.1404	0.4916	1.4667	0.7545	13.6665		
2022	2,7181	0.1065	2.8246	0.5758	3.4004	0.9245	0.2121	4.4484	1.7934	0.1401	0.4906	1.4635	0.7539	13.6269		
2023	2,6909	-	2.6909	0.6796	3.3705	0.9113	0.2100	4.4113	1.7813	0.1387	0.4856	1.4481	0.3008	13.0576		

¹ Per \$1,000 of assessed value

Source: Lane County Tax Code Area Report

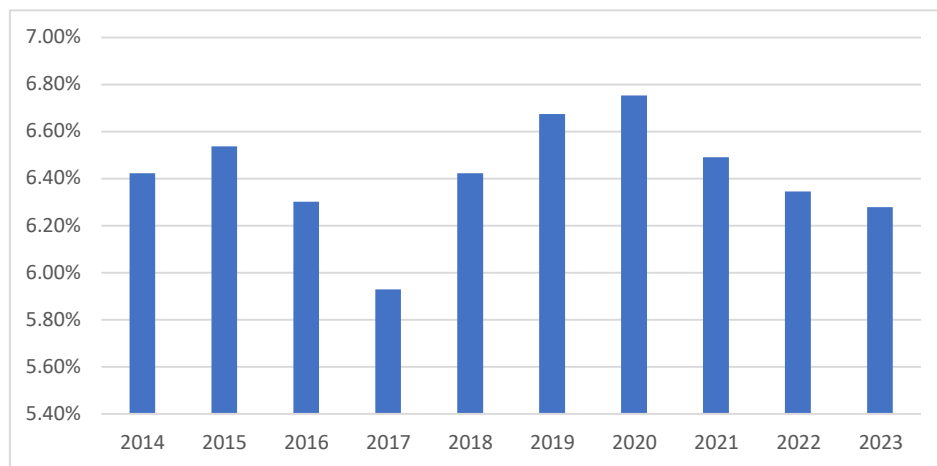
**CITY OF FLORENCE, OREGON
PRINCIPAL PROPERTY TAX PAYERS**

Fiscal Years 2013-14¹ and 2022-23

Taxpayer	2022-23 Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	2013-14 Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Charter Communications	\$ 11,625,000	1	1.07%	\$ 5,951,500	4	0.73%
Fred Meyer Stores, INC	10,286,271	2	0.95%	7,883,573	1	0.97%
Central Lincoln PUD	10,397,000	3	0.96%	6,668,000	3	0.82%
Spruce Partners, LLC	8,651,831	4	0.79%	6,937,550	2	0.85%
AIC Real Estate SPE 126, LLC	6,362,285	5	0.58%			
APIC Florence Holdings, LLC	5,561,214	6	0.51%			
Oregon Pacific Banking Co.	5,073,116	7	0.47%	4,209,697	8	0.52%
Lumen Technologies	3,876,000	8	0.36%			
Matias Edwin M & Lamport Inna	3,266,088	9	0.30%			
Van Devender Kenneth J	3,242,100	10	0.30%			
Columbia State Bank				4,976,338	5	0.61%
On Par Properties, LLC				4,971,054	6	0.61%
Safeway, Inc. Store #363				4,434,469	7	0.55%
Cuddeback C0				3,197,184	9	0.39%
Hanson Robert J				3,006,500	10	0.37%
	<u>\$ 68,340,905</u>		<u>6.28%</u>	<u>\$ 52,235,865</u>		<u>6.42%</u>
Total taxable assessed value, all properties	<u>\$ 1,088,472,785</u>			<u>\$ 813,163,226</u>		

Percentage of Total Assessed Value for Top Ten Taxpayers

Last Ten Fiscal Years



¹Earliest available information

Source: Lane County Tax Assessor

CITY OF FLORENCE, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levy as Extended by Assessor ¹	Collected First Year of Levy	Percent Collected	Collected in Subsequent Years	Total Collections to Date	Percentage of Levy as Extended
2014	\$ 2,661,466	\$ 2,514,092	94.46%	\$ 91,866	\$ 2,605,958	97.91%
2015	2,639,277	2,498,478	94.67%	61,353	2,559,831	96.99%
2016	2,572,312	2,435,544	94.68%	59,934	2,495,478	97.01%
2017	2,644,551	2,507,373	94.81%	58,528	2,565,901	97.03%
2018	2,721,388	2,602,813	95.64%	48,123	2,650,935	97.41%
2019	2,816,794	2,692,823	95.60%	46,211	2,739,034	97.24%
2020	2,929,252	2,795,131	95.42%	35,682	2,830,813	96.64%
2021	3,941,555	3,770,221	95.65%	43,084	3,813,305	96.75%
2022	3,131,507	2,991,485	95.53%	25,773	3,017,259	96.35%
2023	3,128,387	2,999,342	95.88%	-	2,999,342	95.88%

¹The City has chosen to calculate the property tax collection rate based on the gross amount of the levy as extended by the Lane County Assessor. The resulting rate is a lower percentage, but for comparative purposes it can be applied to future years' levies without having to estimate discounts and adjustments. This method of calculating the collection rate is the same one used for the budget.

There are three ways in which property tax revenue can be adversely affected by a slow-down in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be a lag time before a downturn would directly affect the market value limit on assessed value. The possibility of assessed values falling drastically quickly is remote. It is more likely that the rate of assessed value growth will slow. Lower collection rates would have a more immediate effect. A one percentage point drop in collection rates would translate into a \$250,000 reduction in current tax revenues. The City did not realize any reduction in the collection rate for the 2020-21 fiscal year, but the 2020-21 fiscal year dropped .96%. The City will monitor the collection rate going forward to gauge its effect on future revenue.

Source: Lane County Tax Assessor

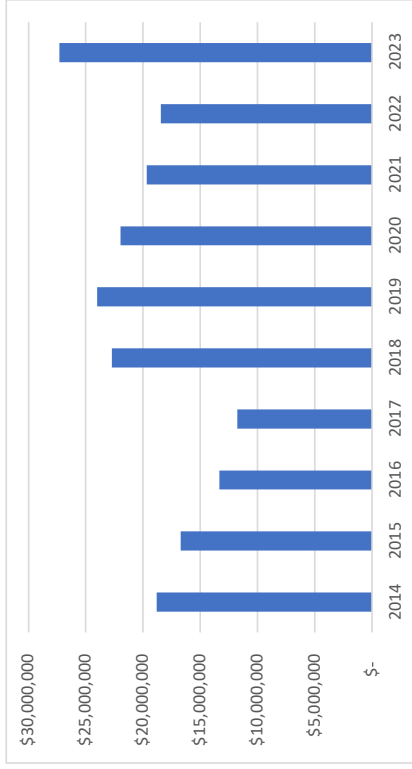
**CITY OF FLORENCE, OREGON
SCHEDULE OF DEBT PER CAPITA**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities					Total Outstanding Debt	% of Personal Income	Debt per Capita
	General Obligation Bonds	Full Faith and Credit Bonds	Limited Tax Improvement Bonds	Notes Payable	Unamortized Premium	Leases	Full Faith and Credit Bonds	Notes Payable	Unamortized Premium	Leases			
2014	\$ 304,762	\$ 806,537	\$ 1,340,000	\$ 2,428,324	-	-	\$ 8,102,744	\$ 5,823,540	\$ -	\$ -	\$ 18,805,907	137.32%	\$ 2,196
2015	-	985,963	1,295,000	2,071,054	-	-	7,046,114	5,309,110	-	-	16,707,241	113.91%	1,938
2016	984,566	938,821	1,250,000	261,470	-	-	4,985,238	4,899,367	-	-	13,319,462	86.81%	1,535
2017	820,472	890,634	1,200,000	139,599	-	-	4,200,741	4,501,855	-	-	11,753,301	72.22%	1,344
2018	656,378	840,854	1,150,000	7,966,837	-	-	3,404,415	8,702,528	-	-	22,721,012	133.42%	2,583
2019	492,284	793,390	1,095,000	10,832,895	-	-	2,579,598	8,216,880	-	-	24,010,047	136.74%	2,713
2020	328,190	741,441	1,035,000	10,295,722	14,960	-	1,738,753	7,752,687	51,234	-	21,957,987	115.63%	2,460
2021	164,094	672,857	970,000	9,772,370	13,871	-	862,143	7,197,925	23,589	-	19,676,849	93.12%	2,050
2022	-	618,061	900,000	9,232,520	12,484	132,059	791,939	6,734,054	16,465	8,554	18,446,136	85.86%	1,929
2023	-	558,877	825,000	9,315,991	11,527	88,234	716,122	15,757,186	14,949	5,722	27,293,608	n/a	2,776

Total Outstanding Debt (Governmental and Business-Type)

Last Ten Fiscal Years



Debt per Capita (Governmental and Business-Type)

Last Ten Fiscal Years



Sources:

City of Florence Audited Financial Statements

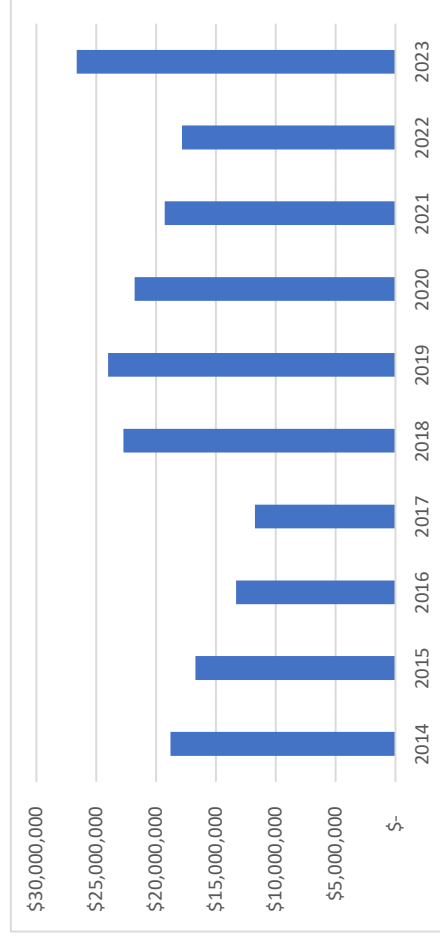
CITY OF FLORENCE, OREGON
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Assessed Value	General Obligation Bonds	Unamortized Premium	General Revenue Obligations	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
2014	8,565	\$ 813,163,226	\$ 304,762	\$ -	\$ 18,501,145	\$ -	\$ 18,805,907	2.31%	\$ 2,195.67	137.32%
2015	8,620	838,040,607	-	-	16,707,241	-	16,707,241	1.99%	1,938.20	113.91%
2016	8,680	852,775,333	984,566	-	12,334,896	-	13,319,462	1.56%	1,534.50	86.81%
2017	8,745	871,894,882	820,472	-	10,932,829	-	11,753,301	1.35%	1,344.00	72.22%
2018	8,795	902,212,696	656,378	-	22,064,634	-	22,721,012	2.52%	2,583.40	133.42%
2019	8,850	933,720,234	492,284	-	23,517,763	-	24,010,047	2.57%	2,713.00	136.74%
2020	8,925	971,062,765	328,190	66,194	21,563,603	167,661	21,790,326	2.24%	2,441.49	114.75%
2021	9,600	1,006,642,419	164,094	37,460	19,475,295	382,548	19,294,301	1.92%	2,009.82	91.31%
2022	9,561	1,052,827,325	-	28,949	18,276,574	456,997	17,848,526	1.70%	1,866.81	83.08%
2023	9,832	1,088,472,785	-	26,476	27,173,176	574,909	26,624,743	2.45%	2,707.97	n/a

Net General Bonded Debt

Last Ten Fiscal Years



Net General Bonded Debt Per Capita

Last Ten Fiscal Years



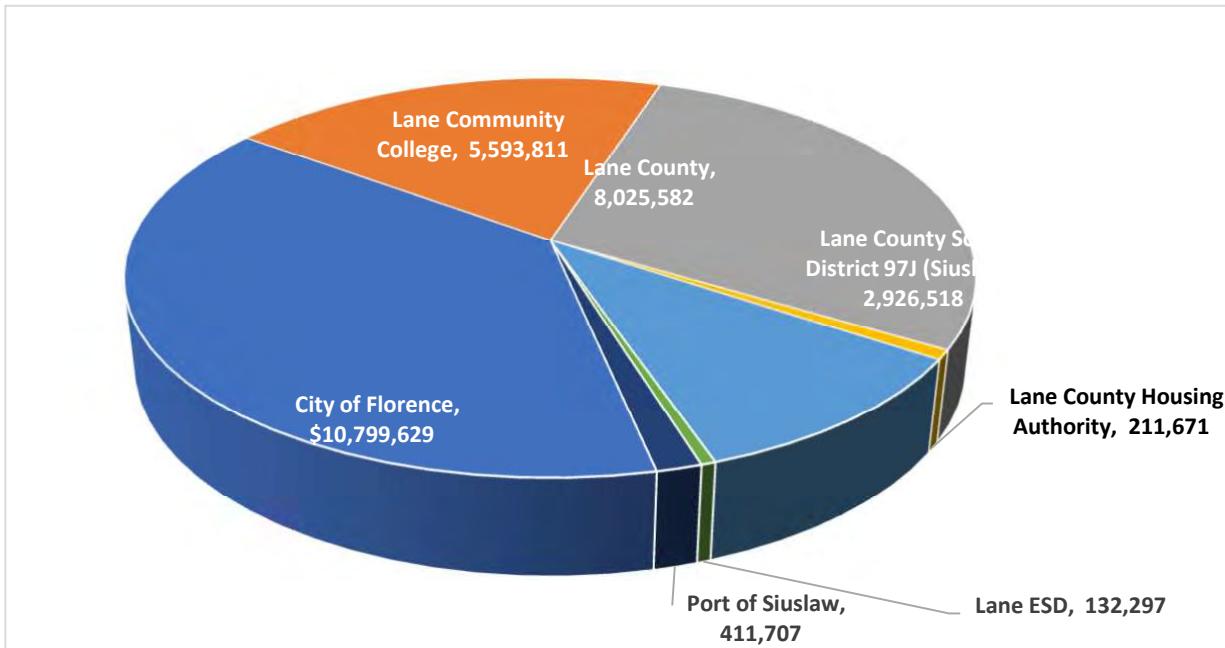
CITY OF FLORENCE, OREGON

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2023

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Florence ¹	Amount Applicable to the City of Florence
DIRECT DEBT			
City of Florence	\$ 10,799,629	100.00%	\$ 10,799,629
OVERLAPPING DEBT			
Lane Community College	209,970,000	2.66%	5,593,811
Lane County	296,540,863	2.71%	8,025,582
Lane County Housing Authority	7,821,113	2.71%	211,671
Lane County School District 97J (Siuslaw)	5,720,000	51.16%	2,926,518
Lane ESD	4,876,958	2.71%	132,297
Port of Siuslaw	943,039	43.66%	411,707
Total overlapping debt	525,871,973		17,301,586
Total direct and overlapping debt	\$ 536,671,602		\$ 28,101,215

Direct and Overlapping Debt Applicable to the City of Florence



Source: State of Oregon, Treasury Department

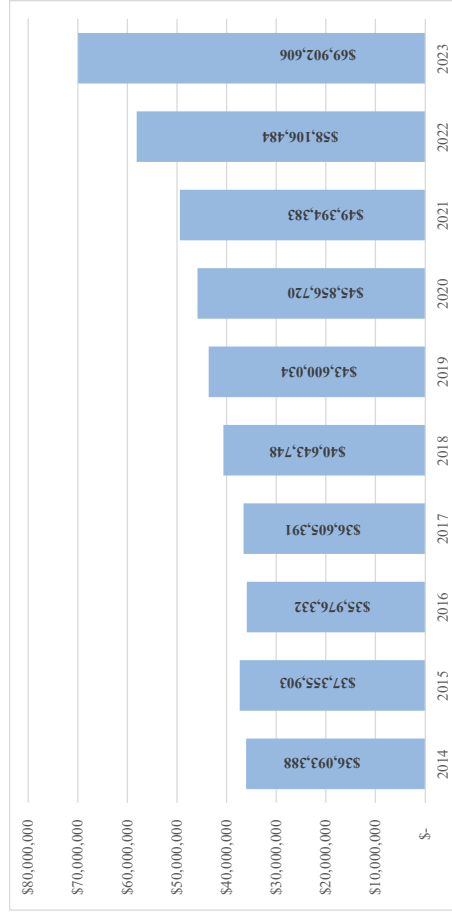
¹The overlapping debt percentage is determined by the percent of real market value the City shares with other issuers. This data is provided to the Treasury Department annually by the Oregon Department of Revenue.

**CITY OF FLORENCE, OREGON
COMPUTATION OF LEGAL DEBT MARGIN**

Last Ten Fiscal Years

	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limitation	\$ 35,934,661	\$ 37,143,519	\$ 36,788,087	\$ 37,281,438	\$ 41,155,701	\$ 43,971,685	\$ 46,104,930	\$ 49,471,456	\$ 58,106,484	\$ 69,902,606
Total net debt applicable to limitation	(158,727)	(212,384)	811,755	676,047	511,953	371,651	248,210	77,073	-	-
Legal debt margin	\$ 36,093,388	\$ 37,355,903	\$ 35,976,332	\$ 36,605,391	\$ 40,643,748	\$ 43,600,034	\$ 45,856,720	\$ 49,394,383	\$ 58,106,484	\$ 69,902,606
Ratio of net debt applicable to the debt limitation	-0.44%	-0.57%	2.21%	1.81%	1.24%	0.85%	0.54%	0.16%	0.00%	0.00%

Legal Debt Margin
Last Ten Fiscal Years



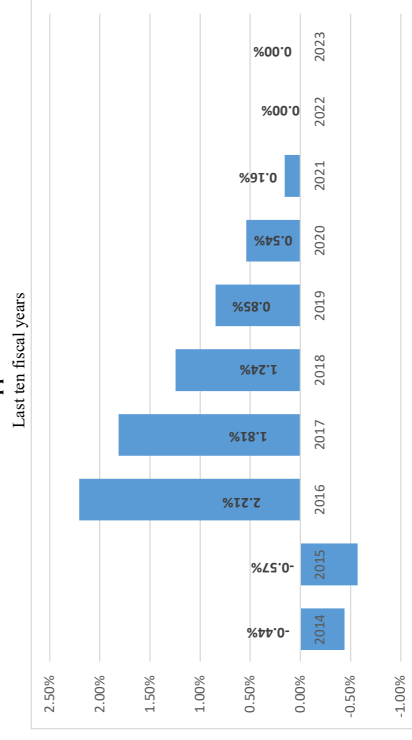
The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 34.7 percent (\$22,678,053) over the last ten years. During that same period, the City's true cash value increased 30.1 percent (\$381,937,383) and the City's general obligation debt decreased

Sources: Lane County Assessor and Notes to the Basic Financial Statements

Legal debt margin calculation for Fiscal Year

Real market value of Taxable Property	\$ 2,330,086,864
General obligation debt limit - 3% of real market value	3%
General obligation debt limit	69,902,606
Gross general obligation bonded debt principal	\$ -
Wastewater bonds	-
Less: Debt service funds available	-
Wastewater bonds	-
Net debt subject to three percent limitation	-
Legal debt margin	\$ 69,902,606

Ratio of the Net Debt Applicable to the Debt Limitation



CITY OF FLORENCE, OREGON
PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Wastewater Revenue Debt (Coverage requirement equals 105%)

Fiscal Year Ended June 30,	Operating Revenues	Less:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2014	\$ 2,906,147	\$ 1,537,203	\$ 812,421	\$ 2,181,365	\$ 917,783	\$ 201,818	\$ 1,119,601	194.8%
2015	3,006,947	1,569,768	810,145	2,247,324	932,280	197,047	1,129,327	199.0%
2016	3,138,562	2,012,846	806,631	1,932,347	965,366	199,230	1,164,596	165.9%
2017	3,114,118	1,822,760	837,373	2,128,731	984,413	178,056	1,162,469	183.1%
2018	3,472,585	1,896,308	862,691	2,438,968	998,983	156,374	1,155,357	211.1%
2019	3,260,296	2,125,681	957,735	2,092,350	1,013,308	132,340	1,145,648	182.6%
2020	3,370,136	2,948,543	980,534	1,402,127	1,037,144	107,599	1,144,743	122.5%
2021	3,352,281	2,784,746	1,005,643	1,573,178	1,051,759	69,365	1,121,124	140.3%
2022	3,510,384	3,395,037	1,043,365	1,158,712	283,880	38,851	322,731	359.0%
2023	3,708,293	3,435,628	1,038,659	1,311,324	285,904	61,481	347,385	377.5%

**CITY OF FLORENCE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS**

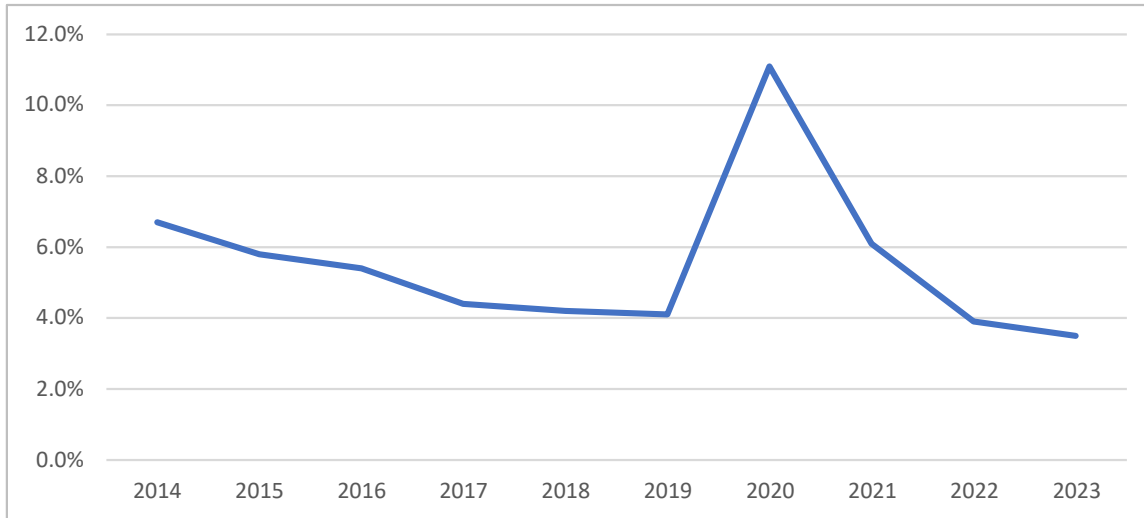
Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Florence Population ¹	Lane County ²		Per Capita Personal Income	Florence School Enrollment ³	Unemployment Rate Lane County ⁴
		Population	Personal Income (thousands)			
2014	8,565	358,273	\$ 13,695,183	\$ 38,226	n/a	6.7%
2015	8,620	362,257	14,666,799	40,487	n/a	5.8%
2016	8,680	369,201	15,343,064	41,557	n/a	5.4%
2017	8,745	375,689	16,273,772	43,317	n/a	4.4%
2018	8,795	378,807	17,030,077	44,957	1,370	4.2%
2019	8,850	382,064	17,559,531	45,960	1,303	4.1%
2020	8,925	382,986	18,989,468	49,583	1,356	11.1%
2021	9,600	383,958	21,131,525	55,146	1,252	6.1%
2022	9,561	382,302	21,483,599	56,188	1,180	3.9%
2023	9,832	384,374	n/a	n/a	1,211	3.5%

The population of Florence increased 1,267 (14.79%) from 2014 to 2023.

* 2023 Population Estimate

Unemployment Rates, Lane County
Last Ten Years



Sources:

¹Portland State University, Population Research and Census Center

²U.S. Department of Commerce, Bureau of Economic Analysis (Data for Lane County)

³Siuslaw School District 97J

⁴State of Oregon Employment Department

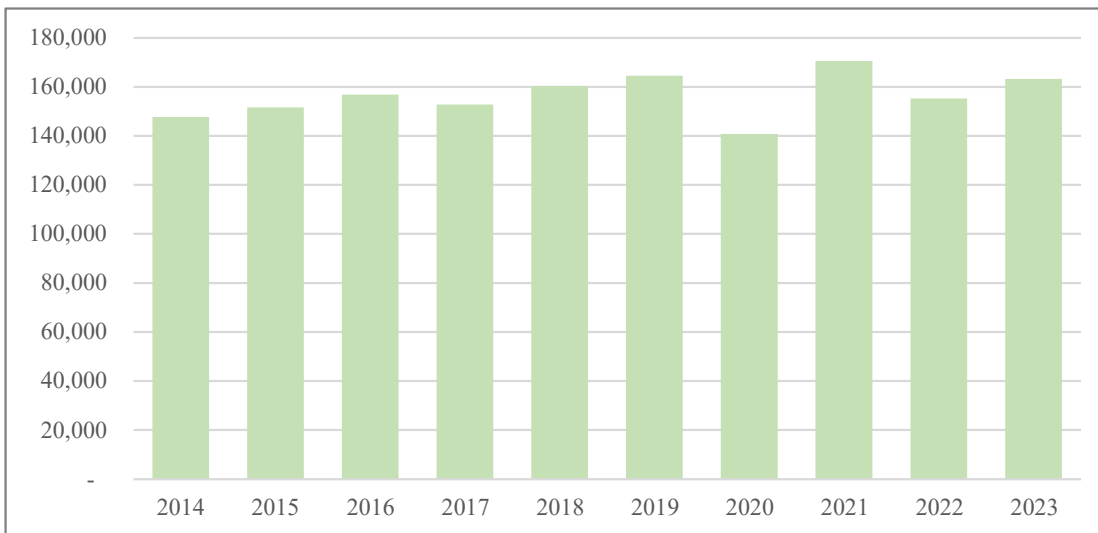
CITY OF FLORENCE, OREGON
FLORENCE AREA PRINCIPAL EMPLOYERS

Fiscal year 2023

Employer	Number of Employees	Rank	Percent of Total Employment
Peace Harbor Medical Center	484	1	0.30%
Siuslaw School District, 97J	127	2	0.08%
City of Florence	68	3	0.04%
Total	679		0.42%
Total Employment Lane County ¹	163,200		

¹As of April 2023

Employment, Lane County
 Last ten years



Sources:

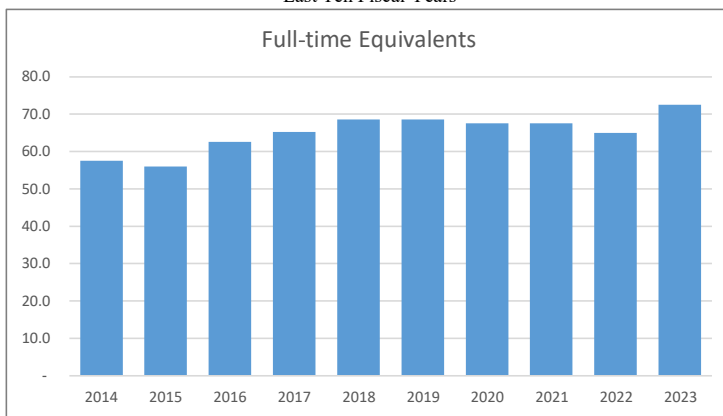
- Oregon Department of Education
- Oregon Employment Department
- Employers

CITY OF FLORENCE, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
Administration	7.5	7.5	11.6	5.5	5.6	5.6	4.0	4.0	4.0	6.0
Administrative Services	-	-	-	7.0	7.0	7.0	7.5	7.5	7.0	6.5
Community Development	3.5	4.0	5.0	4.0	6.0	6.0	6.0	6.0	5.0	5.0
Municipal Court	2.5	2.0	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety	23.0	22.5	25.0	25.0	25.0	25.0	25.0	25.0	24.0	26.0
Parks	1.0	1.0	1.0	0.7	1.0	1.0	1.0	1.0	2.0	2.0
Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Governmental Activities	38.5	38.0	43.6	45.2	47.6	47.6	46.5	46.5	45.0	48.5
BUSINESS-TYPE ACTIVITIES										
Enterprise										
Water	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	5.0
Wastewater	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5
Stormwater	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	3.0
Events Center	3.0	3.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	2.0
Total Enterprise	14.0	14.0	15.0	15.0	16.0	16.0	15.0	15.0	16.0	15.5
Internal Service										
Public Works Administration	5.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0	4.0	8.5
Total Internal Services	5.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0	4.0	8.5
Total Business-type Activities	19.0	18.0	19.0	20.0	21.0	21.0	21.0	21.0	20.0	24.0
Total City-wide Full-time Equivalent	57.5	56.0	62.6	65.2	68.6	68.6	67.5	67.5	65.0	72.5

Total Full-time Equivalents
 Last Ten Fiscal Years



Fiscal Year Ended June 30,	Total FTE	Annual Percentage Change	Total Percentage Change From 2011
2014	57.5	-	-
2015	56.0	-2.61%	-2.6%
2016	62.6	11.79%	8.9%
2017	65.2	4.15%	13.4%
2018	68.6	5.21%	19.3%
2019	68.6	0.00%	19.3%
2020	67.5	-1.60%	17.4%
2021	67.5	0.00%	17.4%
2022	65.0	-3.70%	13.0%
2023	72.5	11.54%	26.1%

Source: City of Florence Adopted Budget

CITY OF FLORENCE, OREGON
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
Administration										
Ordinances adopted	12	n/a	n/a	18	12	15	8	11	18	10
Public records requests	12	n/a	n/a	26	41	39	24	20	294	145
Total website sessions	107,632	n/a	n/a	95,121	98,249	105,665	113,117	125,000	141,020	27,000
Administrative Services										
GFOA Budget Award	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recruitments	15	n/a	10	13	12	5	8	8	20	15
Number of utility customers	n/a	n/a	n/a	4,525	4,385	4,741	4,255	3,845	3,840	4,271
Community Development										
Type 1 applications processed	n/a	n/a	n/a	28	58	54	33	17	27	33
Type 2 administrative reviews	n/a	n/a	n/a	24	14	13	12	10	23	12
Type 3 quasi-judicial applications	n/a	n/a	n/a	36	32	34	30	24	40	24
Dwelling building permits	n/a	n/a	n/a	41	44	49	46	50	31	48
Commercial building permits	n/a	n/a	n/a	-	3	5	3	7	53	5
Dog complaints filed	n/a	n/a	n/a	149	135	126	95	130	77	150
Nuisance complaints processed	n/a	n/a	n/a	58	52	71	75	69	100	71
Municipal Court										
Total cases filed	2,098	n/a	2,055	1,875	2,052	1,772	1,569	1,250	1,063	2,635
Misdemeanor cases	541	n/a	660	612	585	509	480	500	403	1,293
Violations	1,557	n/a	1,395	1,263	1,467	1,263	1,089	800	660	1,343
Public Safety										
Traffic citations	1,650	1,484	1,266	1,343	1,420	1,356	655	689	639	1,401
Arrests	690	599	752	841	929	958	709	746	684	603
DUII arrests	n/a	n/a	n/a	39	53	61	43	52	41	40
Total inmates	539	490	405	436	540	500	369	376	381	434
Parks										
Developed park acres	n/a	n/a	54.23	54.23	54.23	57.57	57.57	59.00	59.00	57.57
Acres of mowed turf	n/a	n/a	12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70
Transportation										
City-wide average PCI rating	71	71	71	72	73	74	73	72	70	74
Lane miles chip/fog sealed	n/a	n/a	n/a	1.72	1.30	2.20	2.06	3.16	1.30	1.90
Signs inspected/cleaned/replaced	n/a	n/a	n/a	445	445	445	445	450	445	500
Airport										
Runway light checks	365	365	365	365	365	365	365	365	365	300
QA/QC on fuel/fuel systems	n/a	n/a	n/a	272	270	270	272	272	272	300
Business Park lots leased	n/a	n/a	n/a	1	2	5	19	19	13	8
BUSINESS-TYPE ACTIVITIES										
Enterprise										
Water										
Total gallons water produced (millions)	364	393	379	372	410	419	433	445	426	400
% of water samples meeting standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Water loss percentage	3.7%	5.3%	4.6%	4.6%	4.4%	4.6%	4.0%	4.7%	4.2%	3.9%
Wastewater										
Wastewater plant flows (millions/gal)	263	273	294	372	410	270	265	275	268	270
Solids produced (wet tons)	538	680	1,734	620	760	784	745	780	841	800
Wastewater lines cleaned (lineal feet)	34,003	6,990	36,669	36,669	2,859	13,091	10,707	25,000	8,464	10,000
Stormwater										
Streets cleaned (miles)	1,150	1,150	1,150	1,150	1,150	1,130	1,150	1,180	1,150	1,180
Catch basin sumps cleaned	900	913	913	900	915	450	500	500	500	500
Annual stream/creek inspections	n/a	n/a	n/a	4	4	4	4	4	4	4
Events Center										
Multi-day conferences	n/a	n/a	n/a	4	4	4	2	2	3	5
Total events	316	n/a	n/a	386	386	392	8	8	178	299
Theater usage days	n/a	n/a	169	148	137	137	4	-	50	99
Box office gross ticket sales	\$ 173,000	n/a	\$ 203,622	\$ 185,300	\$ 185,300	\$ 210,000	\$ 140,060	\$ 7,077	\$ 80,257	\$ 165,000
Internal Service										
Public Works Administration										
Capital projects managed	n/a	n/a	n/a	4	5	6	4	6	6	5
Facility inspections per month	n/a	n/a	n/a	3	4	3	4	4	4	6
Vehicles maintained	n/a	n/a	n/a	31	31	40	45	47	47	55
OSHA safety violations	n/a	n/a	n/a	-	-	-	-	-	-	-

Source: City of Florence Adopted Budget
 Information tracked has changed over the last ten years. Activities listed are those that are currently tracked. Data for prior years is included when available.

**CITY OF FLORENCE, OREGON
CAPITAL ASSETS BY FUNCTION**

Last Ten Fiscal Years

Function	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL										
Administration										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Justice Center	1	1	1	1	1	1	1	1	1	1
Jail	1	1	1	1	1	1	1	1	1	1
Parks										
Developed park sites	13	13	13	13	13	14	14	14	15	16
Acres of park land	154	154	154	154	154	157	197	197	198	202
Transportation										
Miles of streets	77	77	77	79	79	79	79	79	79	82
BUSINESS-TYPE ACTIVITIES										
Water										
Miles of water lines	65	66	66	66	66	66.81	66.98	67.05	67.05	67.74
Number of water hookups	3855	3860	3862	3882	3902	3922	3961	4020	4816	4171
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Wastewater										
Miles of sanitary sewer lines	65	65	65	65	65	69.49	69.49	70.65	70.65	70.89
Pump stations	38	38	38	38	39	39	39	39	39	38
Number of sewer hookups	3610	3625	3644	3663	3682	3700	3774	3850	4817	4000
Stormwater										
Number of storm sewer lines	33.25	33.25	33.51	33.51	33.51	33.51	34.46	34.46	34.46	34.73

Source: City of Florence Asset Records

COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Honorable Mayor and Members of the City Council
City of Florence
Florence, Oregon

We have audited the basic financial statements of the City of Florence, Oregon (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated February 21, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law
- Programs funded from outside sources
- Highway revenues used for public highways, roads, and streets
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

Honorable Mayor and Members of the City Council
 City of Florence, Oregon
 Independent Auditor's Report Required by Oregon State Regulations
 February 21, 2024

Budgets legally required (ORS Chapter 294)

The City's published financial summary, Form LB-1, did not agree with the amounts on the detailed budget sheets as required by ORS 294.438 as follows:

	LB-1	Budget	Variance
2019-2021 Actual			
Resources	\$ 49,849,368	\$ 49,434,211	\$ 415,157
Requirements	43,941,240	43,595,778	345,462
2021-2023 Adopted			
Resources	71,880,100	71,699,300	180,800
Requirements	71,880,100	71,699,300	180,800

In the 2023-25 biennial budget document, the historical information for years ended June 30, 2019 through 2021 did not agree to actual amounts as reported in the audited financial statements for those years, as required by ORS 294.358 for the Debt Service, 9-1-1 Services, Airport, Events Center, Water, Wastewater and Stormwater funds.

In addition, the Budget Committee meeting online publication was not published on the municipal corporation's website at least 10 days prior to the meeting, as required by ORS 294.426.

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Restriction of Use

This report is intended solely for the information and use of the members of City Council, management of the City of Florence and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

February 21, 2024

By:



Brad Bingenheimer, Partner

February 21, 2024

Honorable Mayor and Members of City Council
City of Florence
Florence, Oregon

This letter is to inform the City Council/Agency Officials of City of Florence, Oregon and the Florence Urban Renewal Agency, a blended component unit of the City of Florence (collectively the “City”), about significant matters related to the conduct of our audit as of and for the year ended June 30, 2023, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our engagement letter dated May 1, 2023 for the City of Florence and April 12, 2023 for the Florence Urban Renewal Agency. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated April 12, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Accounting Policies

A summary of significant accounting policies adopted by the City is included in Note 2 to the financial statements. During the year ended June 30, 2023, the City adopted and implemented GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, however it was determined that there was no material impact on the City’s financial statements from implementation of these standards.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. We evaluated the key factors and assumptions used by management to develop the significant estimates reflected in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole.

The following summarizes the significant accounting estimates reflected in the City's financial statements:

- Accumulated depreciation – Estimated useful lives

In the statement of activities and the proprietary fund statements, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service and technology demands.

- Net pension liability and related deferred outflows and inflows

The net pension liability reflected in the financial statements represents the proportionate share of the amount by which the total pension liability on the Oregon PERS exceeds the Oregon PERS' fiduciary net pension. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The Oregon PERS has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured by the Oregon PERS using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The methods and assumptions used were based on the 2020 experience study which reviewed experience for the four-year period ending December 31, 2020.

Disclosures

- The disclosure of prior period adjustments in Note 3 to correct beginning fund balance/net position.
- The disclosure of cash, cash equivalents and investments in Note 4 to the financial statements which describes the liquid assets available for operations of the City.

Audit Adjustments and Uncorrected Misstatements

Management corrected the material misstatements in the attached Summary of Recorded Audit Adjustments that were identified as a result of our audit procedures.

We identified the uncorrected misstatements in the attached Summary of Uncorrected Misstatements that management has concluded are not, individually or in the aggregate, material to the basic financial statements. We agree with management's conclusion in that regard. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Internal Control Matters

We have issued a separate communication dated February 21, 2024 regarding certain deficiencies in internal control that we identified during the planning or performance of our audit of the financial statements.

Disagreements With Management

We are not aware of any disagreements with management during the audit process.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For SingerLewak LLP to fulfill its professional responsibility to maintain and monitor independence, management, the City Council, and SingerLewak LLP each play an important role.

Honorable Mayor and Members of City Council
City of Florence, Oregon
February 21, 2024
Page 4

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. SingerLewak LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The City's Responsibilities

- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with SingerLewak LLP.
- Not entering into relationships resulting in close family members of SingerLewak LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the City.

Management Representations

Attached are copies of the management representation letters for both the City and the Agency.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

This report is intended solely for the information and use of the Mayor, City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

SingerLewak LLP

CITY OF FLORENCE, OREGON
SUMMARY OF RECORDED AUDIT ADJUSTMENTS
Year Ended June 30, 2023

Number	Date	Name	Account No	Reference	Debit	Credit
AJE#1	6/30/2023	AMERICAN RESCUE PLAN ACT	15-0000-4412 SRF05	5201	462,113	
AJE#1	6/30/2023	Fund Balance - Prior Period Adjustment	15-2999 SRF05	5201		(462,113)
AJE#1	6/30/2023	UNEARNED REVENUE	15-2100 SRF05	5201	466,487	
AJE#1	6/30/2023	Fund Balance - Prior Period Adjustment	15-2999 SRF05	5201		(466,487)

To record Prior Period Adjustment related to ARPA funding and related expenditures.

AJE#2	6/30/2023	AMERICAN RESCUE PLAN ACT	15-0000-4412 SRF05	5201	554,174	
AJE#2	6/30/2023	UNEARNED REVENUE	15-2100 SRF05	5201		(554,174)
AJE#2	6/30/2023	TRANSFER TO OTHER FUNDS	15-5120-5600 SRF05	5201	928,600	
AJE#2	6/30/2023	ARPA: REVENUE RECOVERY	15-5110-5157 SRF05	5201		(928,600)
AJE#2	6/30/2023	ARPA GRANT	51-0000-4407 ENT01A	5201	116,900	
AJE#2	6/30/2023	TRANSFERS IN	51-0000-4800 ENT01A	5201		(116,900)
AJE#2	6/30/2023	ARPA GRANT	57-0000-4407 ENT04	5201	48,000	
AJE#2	6/30/2023	TRANSFER IN	57-0000-4800 ENT04	5201		(48,000)
AJE#2	6/30/2023	ARPA GRANT	01-0000-4407 GF01A	5201	435,100	
AJE#2	6/30/2023	TRANSFERS IN	01-0000-4800 GF01A	5201		(435,100)
AJE#2	6/30/2023	ARPA GRANT	11-0000-4407 SRF02A	5201	137,000	
AJE#2	6/30/2023	TRANSFER IN	11-0000-4800 SRF02A	5201		(137,000)
AJE#2	6/30/2023	ARPA GRANT	58-0000-4407 ENT05	5201	191,600	
AJE#2	6/30/2023	TRANSFER IN	58-0000-4800 ENT05	5201		(191,600)

To record unearned revenue-ARPA as of 6/30/2023 and reclass activity between funds as transfers.

AJE#3	6/30/2023	AP ACCRUAL	14-2010 SRF04	5205	54,826	
AJE#3	6/30/2023	ACCRUED RECEIVABLES	14-1410 SRF04	5205		(54,826)

To correct the transfer of Lodging tax revenue from the Room Tax Fund to the Event Center Fund.

AJE#4	6/30/2023	CASH - COMBINED FUND	31-1001 DSF01	8040. 16	1,788	
AJE#4	6/30/2023	PROPERTY TAXES RECEIVABLE	31-1101 DSF01	8040. 16		(2)
AJE#4	6/30/2023	UNAVAILABLE PROPERTY TAXES	31-2201 DSF01	8040. 16		(325)
AJE#4	6/30/2023	TRANSFER OUT	31-8000-5600 DSF01	8040. 16		(1,566)
AJE#4	6/30/2023	CASH - COMBINED FUND	51-1001 ENT01A	8040. 16		(1,788)
AJE#4	6/30/2023	TRANSFERS IN	51-0000-4800 ENT01A	8040. 16	1,566	
AJE#4	6/30/2023	OTHER INCOME	51-0000-4720 ENT01A	8040. 16	222	
AJE#4	6/30/2023	PROPERTY TAX - PRIOR YEARS	31-0000-4102 DSF01	8040. 16	105	

To close out Fund 31 General Obligation Debt Fund

AJE#5	6/30/2023	BANK CHARGES	58-7100-5128 ENT05	5003		(656)
AJE#5	6/30/2023	WCLF GRANT EXPENDITURE	58-7100-5327 ENT05	5003		(7,838)
AJE#5	6/30/2023	INTEREST INCOME - WLCF	58-0000-4702 ENT05	5003	12,632	
AJE#5	6/30/2023	FEC WLCF ENDOWMENT	58-1041 ENT05	5003		(88,770)
AJE#5	6/30/2023	WCLF GRANT EXPENDITURE	58-7100-5327 ENT05	5003	84,632	

To remove endowment money held by nonprofit.

CITY OF FLORENCE, OREGON
SUMMARY OF UNCORRECTED MISSTATEMENTS
Year Ended June 30, 2023

Number	Date	Name	Fund	Assets	Liabilities	Equity	Revenues	Expenditures/ Expenses
UM#1	6/30/2022	<i>To record prior year accrued payroll at June 30, 2022 not recorded by the City.</i>						
		Salary Expense	General	\$ -	\$ -	\$ -	\$ -	\$ (32,742)
		Fund Balance	General	-	-	(32,742)	-	-
		Salary Expense	911 Fund	-	-	-	-	(3,855)
		Fund Balance	911 Fund	-	-	(3,855)	-	-
		Salary Expense	Stormwater	-	-	-	-	(1,860)
		Net Position	Stormwater	-	-	(1,860)	-	-
		Salary Expense	Public Works Admin	-	-	-	-	(4,990)
		Net Position	Public Works Admin	-	-	(4,990)	-	-
UM#2	6/30/2023	<i>To adjust utility accounts receivable for unbilled services as of June 30, 2023.</i>						
		Utility Accts Receivables	Street	2,395	-	-	-	-
		Utility Revenue	Street	-	-	-	2,395	-
		Utility Accts Receivables	Water	37,789	-	-	-	-
		Utility Revenue	Water	-	-	-	37,789	-
		Utility Accts Receivables	Wastewater	29,774	-	-	-	-
		Utility Revenue	Wastewater	-	-	-	29,774	-
		Utility Accts Receivables	Stormwater	4,151	-	-	-	-
		Utility Revenue	Stormwater	-	-	-	4,151	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>4,151</u>	<u>-</u>
		Understated (Overstated)		\$ 74,109	\$ -	\$ (43,447)	\$ 74,109	\$ (43,447)
		Breakdown by Opinion Unit:	General	\$ -	\$ -	(32,742)	\$ -	\$ (32,742)
			Street	2,395	-	-	2,395	-
			Nonmajor Govt	-	-	(3,855)	-	(3,855)
			Water	37,789	-	-	37,789	-
			Wastewater	29,774	-	-	29,774	-
			Stormwater	4,151	-	(1,860)	4,151	(1,860)
			Public Works Admin	-	-	(4,990)	-	(4,990)



City of Florence

250 Hwy 101, Florence, OR 97439
www.ci.florence.or.us



SingerLewak, LLP
1255 Lee Street SE, Ste 210
Salem, Oregon 97302

This representation letter is provided in connection with your audit of the basic financial statements of the City of Florence, Oregon (the "City") as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the City include:
 - a. Those with component units for which the City is accountable.

 Public Works 2675 Kingwood St. (541) 997-4106	City Manager / City Recorder 900 Greenwood St. (541) 997-3437	Community Development: Planning & Building 2675 Kingwood St. (541) 997-8237	Finance / Utility Billing 2675 Kingwood St. (541) 997-3436	Justice Center 900 Greenwood St. (541) 997-3515	Florence Events Center 715 Quince St. (541) 997-1994 
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City of Florence

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- b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
7. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
8. The City followed either its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or followed paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
9. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
10. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
13. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
14. Provisions for uncollectible receivables have been properly identified and recorded.
15. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated/amortized.
16. The City properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.



City of Florence

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17. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
18. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
19. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
20. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
21. The City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
22. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
23. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit. Also, we have not met the threshold requiring an agreed-upon procedures examination related to ARPA funding to be performed separately from the audit of the financial statements.
24. With respect to nonaudit services performed related to drafting the financial statements and related notes, as well as, proposing GAAP journal entries, based on client provided information, in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.



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25. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023 and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
26. As of and for the year ended June 30, 2023, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in the attached Summary of Uncorrected Misstatements, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
27. We agree with the restatement of the previously issued financial statements discussed in Note 3. In that regard:
- The restatement corrects an error in those financial statements.
 - We were not aware of the error when those financial statements were issued.
 - We are not aware of any other errors in those financial statements.

We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and independent auditor's report.

28. If we have requested an unsecured electronic copy of the auditor's report basic financial statements, we agree that the auditor's report basic financial statements will not be modified in any manner.

Information Provided

29. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.



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- c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
30. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
 31. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
 32. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
 33. We have no knowledge of allegations of fraud or suspected fraud affecting the City's basic financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
 34. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
 35. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
 36. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have not consulted legal counsel concerning litigation or claims.



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37. We have disclosed to you the identity of all of the City's related parties and all the related-party relationships and transactions of which we are aware.
38. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
39. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
40. It is our responsibility to inform you of all current and potential affiliates of the City as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the City may create threats to independence. We have:
 - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the City's financial statements as a whole, (ii) the level of influence the City has over an entity's financial reporting process or (iii) the level of control or influence the City or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the City and SingerLewak LLP to identify and eliminate potential impermissible services and relationships between SingerLewak LLP, prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the City or any of our affiliates has engaged SingerLewak LLP or any of its associated entities to perform.
41. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.



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42. We believe that the information obtained from the audited financial statements of and other participant information provided by Oregon PERS is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan or its auditor.
43. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
44. Our Annual Comprehensive Financial Report (ACFR) is composed of our basic financial statements; as well as introductory and statistical information, which are not covered by the opinion included in the independent auditor's report.

Supplementary Information

45. With respect to supplementary information presented in relation to the basic financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.
 - e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
 - f. We acknowledge that the actual numbers for fiscal year 2022 in the schedules of revenues, expenditures and changes in fund balance – budget to actual was audited and opined on by the prior auditors.

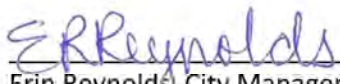


City of Florence

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46. With respect to the Management's Discussion and Analysis and the budgetary comparison schedules, the pension schedules and the OPEB schedules, included in the "Required Supplementary Information" identified in the table of contents of the ACFR, presented as required by U.S. GAAP to supplement the basic financial statements:
- We acknowledge our responsibility for the presentation of such required supplementary information.
 - We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.
 - We acknowledge that the actual numbers for fiscal year 2022 in the schedules of revenues, expenditures and changes in fund balance – budget to actual was audited and opined on by the prior auditors.

City of Florence, Oregon


Erin Reynolds, City Manager


Anne Baker, Administrative Services Director

February 21, 2024

Date



Public Works
2675 Kingwood St.
(541) 997-4106

**City Manager /
City Recorder**
900 Greenwood St.
(541) 997-3437

**Community Development:
Planning & Building**
2675 Kingwood St.
(541) 997-8237

**Finance /
Utility Billing**
2675 Kingwood St.
(541) 997-3436

Justice Center
900 Greenwood St.
(541) 997-3515

Florence Events Center
715 Quince St.
(541) 997-1994



AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 6
Meeting Date: March 18, 2024
Department: Finance

ITEM TITLE: Florence Stop and Go Market Off-Premise Liquor License

DISCUSSION/ISSUE:

This is a request for a recommendation of an off-premise liquor license to the Oregon Liquor Control Commission (OLCC) for Helena Aria doing business as Florence Stop and Go Market LLC. OLCC allows the City Council the opportunity to review the liquor license before making a recommendation of approval.

The owner/management of the business has been checked and approved by the Florence Police Department for noise and/or altercations and has signed recommending approval.

FISCAL IMPACT:

The fee for a change of ownership liquor license is \$121. This fee includes the cost of staff time to review the application and place a recommendation before the City Council.

RELEVANCE TO ADOPTED COUNCIL GOALS:

Goal 1: Deliver efficient and cost-effective city services.

ALTERNATIVES:

1. Recommend ratification for the liquor license approval
 2. Recommend denial to OLCC for the liquor license
 3. Request staff research further and bring back additional information to a future Council meeting
-

RECOMMENDATION:

Recommend ratification for the liquor license approval

AIS PREPARED BY: Lezlea Purcell, Finance Manager

CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other

Comments: *ER Reynolds*

ITEM'S ATTACHED: Attachment 1 – Liquor License Application



Instructions

1. **Complete and sign** this application.
2. Prior to submitting this application to the OLCC, send the completed application to **the local government for the premises address** to obtain a recommendation.
 - If the premises street address is within a city’s limits, the local government is the city.
 - If the premises street address is not within a city’s limits, the local government is the county.
3. You can submit the application to the OLCC if:
 1. You have WRITTEN documentation showing the date the local government received the application or;
 2. The local government has provided you their recommendation.

ALL forms and documents must be a PDF attachment

4. **Email the PDF application that contains the local government recommendation or proof of submission** to: OLCC.LiquorLicenseApplication@oregon.gov.
5. **Do not** include any license fees with your application packet (fees will be collected at a later time). *When it’s time to pay the license fee you must pay the full yearly fee for the current license year (the license fee will not be prorated). If you pay in the last quarter of your license year you must also pay the yearly fee for the next license year.*

License Request Options - Please see the general definitions of the license request options below:

- **New Outlet:** The licensing of a business that does not currently hold an active liquor license.
- **Change of Ownership:** The request to completely change the licensee of record at a licensed business.
- **Greater Privilege:** The request to change from an Off-Premises to a Limited or Full On-Premises Sales license **OR** from a Limited to Full On-Premises Sales license.
- **Additional Privilege:** The licensee currently holds an active liquor license at the premises and that same licensee would like to request to add an **additional** different liquor license type at that same premises location.

Additional Information

Applicant Identification: Please review [OAR 845-006-0301](#) for the definitions of “applicant” and “licensee” and [OAR 845-005-0311](#) to confirm that all individuals or entities with an ownership interest (other than a waivable ownership interest, per [OAR 845-005-0311\[6\]](#)) in the business have been identified as license applicants on this document. If you have a question about whether an individual or entity needs to be listed as an applicant for the license, discuss this with the OLCC staff person assigned to your application.

Premises Address: This is the physical location of the business and where the liquor license will be posted.

Applicant Signature(s): Each individual listed in the applicant information box on page 2 (entity or individuals applying for the license) must sign the application. If an applicant listed in the applicant information box on page 2 is an entity (such as a corporation or limited liability company), at least one member or officer of the entity must sign the application.

Applicant/Licensee Representative(s): In order to make changes to a license or application or to receive information about a license or application by someone other than the applicant/licensee you must:

- Complete the Authorized Representative and submit with the application.

LIQUOR LICENSE APPLICATION

Page 1 of 4

Check the appropriate license request option:

New Outlet | Change of Ownership | Greater Privilege | Additional Privilege

Select the license type you are applying for.

More information about all license types is available [online](#).

Full On-Premises

- Commercial
- Caterer
- Public Passenger Carrier
- Other Public Location
- For Profit Private Club
- Nonprofit Private Club

Winery

- Primary location
- Additional locations: 2nd 3rd 4th 5th

Brewery

- Primary location
- Additional locations: 2nd 3rd

Brewery-Public House

- Primary location
- Additional locations: 2nd 3rd

Grower Sales Privilege

- Primary location
- Additional locations: 2nd 3rd

Distillery

- Primary location
- Additional tasting locations: (Use the DISTT form [HERE](#))

Limited On-Premises

Off Premises

Warehouse

Wholesale Malt Beverage and Wine

LOCAL GOVERNMENT USE ONLY

LOCAL GOVERNMENT
After providing your recommendation, return this form to the applicant **WITH** the recommendation marked below

Name of City OR County (not both)

Please make sure the name of the Local Government is printed legibly or stamped below

Date application received:

Optional: Date Stamp Received Below



- Recommend this license be granted
- Recommend this license be denied
- No Recommendation/Neutral

Printed Name

Date

Signature

FLORENCE STOP AND GO MARKET LLC

Trade Name

LIQUOR LICENSE APPLICATION

Page 2 of 4

APPLICANT INFORMATION

Identify the applicants applying for the license. This is the entity (example: corporation or LLC) or individual(s) applying for the license. Please add an additional page if more space is needed.

Name of entity or individual applicant #1:

Helena Aria

Name of entity or individual applicant #2:

Name of entity or individual applicant #3:

Name of entity or individual applicant #4:

BUSINESS INFORMATION

Trade Name of the Business (name customers will see):

FLORENCE STOP AND GO MARKET LLC

Premises street address (The physical location of the business and where the liquor license will be posted):

3375 US HWY 101

City:

FLORENCE

Zip Code:

97439

County:

LANE

Business phone number:

541-678-1477

Business email:

florencestopandgomarket@gmail.com

Business mailing address (where we will send any items by mail as described in OAR 845-004-0065[1]):

3375 US HWY 101

City:

FLORENCE

State:

OR

Zip Code:

97439

Does the business address currently have an OLCC liquor license? Yes No

Does the business address currently have an OLCC marijuana license? Yes No

APPLICATION CONTACT INFORMATION – Provide the point of contact for this application. If this individual is not an applicant or licensee, the Authorized Representative Form must be completed and submitted with this application.

Application Contact Name:

HELENA ARIA

Phone number:

541-678-0170

Email:

FLORENCESTOPANDGOMARKET@GMAIL.COM

LIQUOR LICENSE APPLICATION

Page 3 of 4

TERMS

- “Real property” means the real estate (land) and generally whatever is erected or affixed to the land (for example, the building) at the business address.
- “Common area” is a privately owned area where two or more parties (property tenants) have permission to use the area in common. Examples include the walking areas between stores at a shopping center, lobbies, hallways, patios, parking lots, etc. An area’s designation as a “common area” is typically identified in the lease or rental agreement.

ATTESTATION – OWNERSHIP AND CONTROL OF THE BUSINESS AND PREMISES

- Each applicant listed in the “Application Information” section of this form has read and understands [OAR 845-005-0311](#) and attests that:
 1. At least one applicant listed in the “Application Information” section of this form has the legal right to occupy and control the real property proposed to be licensed as shown by a property deed, lease, rental agreement, or similar document.
 2. No person not listed as an applicant in the “Application Information” section of this form has an ownership interest in the business proposed to be licensed, unless the person qualifies to have that ownership interest waived under OAR 845-005-0311.
 3. The licensed premises at the premises street address proposed to be licensed either:
 - a. Does not include any common areas; or
 - b. Does include one or more common areas; however, only the applicant(s) have the exclusive right to engage in alcohol sales and service in the area to be included as part of the licensed premises.
 - In this circumstance, the applicant(s) acknowledges responsibility for ensuring compliance with liquor laws within and in the immediate vicinity of the licensed premises, including in portions of the premises that are situated in “common areas” and that this requirement applies at all times, even when the business is closed.
 4. The licensed premises at the premises street address either:
 - a. Has no area on property controlled by a public entity (like a city, county, or state); or
 - b. Has one or more areas on property controlled by a public entity (like a city, county, or state) and the public entity has given at least one of the applicant(s) permission to exercise the privileges of the license in the area.

LIQUOR LICENSE APPLICATION

FLORENCE STOP AND GO MARKET LLC

Page 4 of 4

Applicant Signature(s): Each individual listed in the applicant information box on page 2 (entity or individuals applying for the license) must sign the application.

If an applicant listed in the applicant information box on page 2 is an entity (such as a corporation or limited liability company), at least one member or officer of the entity must sign the application.

• Each applicant listed in the "Application Information" section of this form has read and understands OLCC 845-006-0362 and attests that:

1. Upon licensure, each licensee is responsible for the conduct of others on the licensed premises, including in outdoor areas.
2. The licensed premises will be controlled to promote public safety and prevent problems and violations, with particular emphasis on preventing minors from obtaining or consuming alcoholic beverages, preventing over-service of alcoholic beverages, preventing open containers of alcoholic beverages from leaving the licensed premises unless allowed by OLCC rules, and preventing noisy, disorderly, and unlawful activity on the licensed premises.

I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application, are true and complete.

HELENA ARIA

Helena Aria

02-29-2024

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant/Licensee Representative(s): If you would like to designate a person/entity to act on your behalf you must complete the Authorized Representative Form. You may submit the form with the application or anytime thereafter. The form must be received by the OLCC before the representative can receive or submit information for the applicant.

Please note that applicants/licensees are responsible for all information provided, even if an authorized representative submits additional forms on behalf of the applicant.



OREGON LIQUOR & CANNABIS COMMISSION

OFF-PREMISES SALES Primary License Privileges

Introduction

Oregon Revised Statute (ORS) 471.186 authorizes the off-premises sales license and its license privileges.

Off-Premises Sales

- The OLCC license fee is \$200 per year.
- Off-Premises: May sell at retail to consumers for consumption **off** your licensed premises:
 - * Malt beverages, wine, and cider in factory-sealed containers. There is no minimum or maximum container size or volume limit to sell, but there are delivery limits (see the delivery rules).
 - * Malt beverages, wine, and cider in a securely covered container (growler). The container may not hold more than two gallons; however, there is no minimum container size limit. There are delivery limits (see the delivery rules).
- May deliver factory-sealed containers and securely covered containers (growlers) of malt beverages (beer), wine, and cider direct to consumer for consumption **off** your licensed premises; however, must follow the delivery rules at OAR 845-006-0392 and 845-006-0396.
- Eligible to apply to get pre-approval to provide sample tastings of malt beverages, wine, and cider for consumption on the premises.
- Eligible to apply for a Temporary Sales License (TSL).

Obtaining Alcoholic Beverages for Sale and Service

All off-premises sales licenses must obtain their alcoholic beverages as follows:

- Malt beverages (beer)
 - * Must obtain malt beverages (beer) only from manufacturers and wholesalers within Oregon. These are the following license types: brewery, brewery-public house, and wholesale malt beverage and wine.
- Wine and cider
 - * May obtain wine and cider from manufacturers and wholesalers within Oregon. These are the following license types: grower sales privilege, wholesale malt beverage and wine, and winery.
 - * May obtain wine and cider directly from businesses outside of Oregon only if:
 - The business outside of Oregon holds an OLCC-issued wine self-distribution permit; and
 - The OFF-premises sales licensee has received an endorsement to receive from the OLCC and follows OAR 845-006-0401.

Oregon's Bottle Bill

All off-premises sales licenses must comply with Oregon's Bottle Bill requirements.

- [Bottle Bill Checklist](#)
- [Oregon's Bottle Bill: Included Beverages](#)
- [Oregon's Bottle Bill: Not Included Beverages](#)

Some Links

- Alcoholic liquor laws: [ORS 471](#)
- Wine and cider delivery to consumer: [OAR 845-006-0392](#)
- Malt beverage delivery to a consumer: [OAR 845-006-0396](#)
- For alcohol service permit questions: olcc.servicepermits@oregon.gov
- For general liquor licensing questions: olcc.liquorlicenseapplication@oregon.gov



OREGON LIQUOR & CANNABIS COMMISSION

OFF-PREMISES SALES Primary License Privileges

- For liquor license renewal inquiries: olcc.renewals@oregon.gov
- For liquor compliance or enforcement inquiries: alcohol@oregon.gov

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 7
Meeting Date: March 18, 2024
Department: City Council

ITEM TITLE: City Council Meeting Minutes

DISCUSSION/ISSUE:

Consider approval of the draft minutes listed below.
Materials distributed during City Council meetings can be found on the City of Florence's website at www.ci.florence.or.us under the calendar date for each particular meeting. In addition, all items pertaining to the meeting including the meeting agenda, materials and items distributed, as well as electronic audio/video recordings of the meeting, are referenced at the top of each set of approved minutes, and can be referenced either on the City's website or upon request of the City Recorder.

FISCAL IMPACT:

Minutes incur staff time for compilation / retention and have no other fiscal impacts.

RELEVANCE TO ADOPTED COUNCIL GOALS:

Goal 1: Deliver efficient and cost-effective city services.

ALTERNATIVES:

1. Approve the minutes as presented
2. Review and approve the minutes with modifications

RECOMMENDATION: Approve the minutes as presented

AIS PREPARED BY: Lindsey White, City Recorder

CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other

Comments:

ER Reynolds

ITEM'S ATTACHED: **Attachment 1** – Draft Feb. 5, 2024 City Council Regular Session
Attachment 2 – Draft Feb. 22, 2024 City Council Work Session
Attachment 3 – Draft March 7, 2024 City Council Work Session

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Florence
City Council Regular Session
Florence City Hall
250 Hwy 101, Florence, Oregon
Final Action Minutes
February 5, 2024**

Councilors Present: Mayor Ward, Councilors Sally Wantz, Bill Meyer, Jo Beaudreau, and Robert Carp.

Councilors Absent: None.

Staff Present: City Manager Erin Reynolds, City Recorder Lindsey White, Assistant City Manager Megan Messmer, Public Works Director Mike Miller, Administrative Services Director Anne Baker, Community Development Director Wendy FarleyCampbell, Police Chief John Pitcher, Human Resources Director Alex Ferguson, and Finance Manager Lezlea Purcell
(In person)

Guests Present: Government Finance Officers Association Representative Ron Harker.

Handout: 2.5.24 City Council Meeting Base Presentation

CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE

Meeting called to order at 5:30 p.m.

1. PUBLIC COMMENTS

This is an opportunity for members of the public to bring to the Council’s attention any item not otherwise listed on the agenda.

Start Time: 5:32 p.m.
Commenter 1: Mr. Michael Allen – Florence, OR
Handout: Speaker’s Card and Written Comments
Discussion: Mr. Allen discussed...

- A resource for coastal cities from the Urban Ocean Lab providing a comprehensive guidebook for climate funding for coastal cities.

PRESENTATIONS & ANNOUNCEMENTS

Presentation of the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting (COA) and Distinguished Budget Presentation (Budget Award) Awards.

Start Time: 5:36 p.m.
 Discussion: ASD Baker introduced GFOA Representative Ron Harker to the City Council.

Discussion: GFOA Representative Ron Harker presented the Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Awards to the City of Florence.

PUBLIC HEARING ITEMS

2. HOUSING CODE UPDATE

A. PUBLIC HEARING FOR ORDINANCE NO. 1, SERIES 2024

- Staff Presentation
- Public Testimony: Hear and consider written and oral testimony regarding the proposed Housing Code Update
- Council question and discussion
- Consideration of closing the public hearing and the possibility of keeping the written record open for a certain amount of time

Start Time: 5:44 p.m.
 Process Reading: CR White read the Public Hearing Script and officiated the procedures.
 Handouts: Public Hearing Script

Declarations: The City Council declared...

- No conflicts of interest were declared and no bias declared.

 Comments: All Councilors present.

Public Challenges: No public challenges were received.

Public Hearing: Opened at 5:45 p.m.

Start Time: 5:45 p.m.
 Discussion: PD FarleyCampbell presented the staff presentation.

Handouts: Staff Presentation
Discussion: The City Council discussed...

- Understanding setback requirements being five feet or three feet.
- Amending setback to ten feet between units.
- Defining allowing transitional housing on any public property; recommending to amend to no public property.
- Understanding thirty-five feet building height limitation.
- Encouraging City Council to change separation distances from three hundred feet to six hundred feet.
- Understanding under-sized lots for development.
- Understanding hotel/motel conversions.
- Changing wording of church to represent other religions.
- Draft document is close to being a final document.
- Defining church as benevolent organization.

Comments: Councilors Wantz, Carp, Beaudreau, and Meyer.

Discussion: Staff discussed...

- Leaving setback at five feet; up to City Council for change to ten feet.
- Defining public property to mean City owned property.
- No change in building height requirement.
- Defining use of church; research to see if alternative to wording of church.
- Running bumper maps to show six hundred feet instead of three hundred feet distances.
- Defining “shall” serve meals and/or provide cooking and food preparation areas.

Comments: PD FarleyCampbell.

Council took a break from 6:53 p.m. to 6:58 p.m.

Start Time: 6:58 p.m.
Proponent 1: Ms. Maggie Bagon
Handout: Speaker’s Card
Discussion: Speaker’s card withdrawn

Start Time: 6:59 p.m.
Opponent 1: Ms. Brenda Gilmer
Handout: Speaker’s Card
Discussion: Ms. Gilmer discussed...

- City ignoring housing issues.

- Understanding number of people without housing.
- Utilizing under-used land for RV parking.

Proponent 2: Mr. Michael Allen
 Handout: Speaker’s Card
 Discussion: Mr. Allen discussed...

- Priorities for housing and grant opportunities.
- Require building energy efficient housing.

Discussion: Staff discussed...
 • Proposed code addresses recreational vehicles as shelter.
 Comments: CDD FarleyCampbell.

Public Hearing: Closed 7:17 p.m. Written record held open until 4 p.m. on February 15, 2024.

B. HOUSING CODE ADOPTION AND IMPLEMENTATION

Consider approval or setting a date certain for adoption of **Ordinance No. 1. Series 2024**, an ordinance adopting legislative amendments to the Florence City Code Title 10, to support missions, emergency shelters, and transitional housing, associated with Phase 2 of the Housing Implementation Plan project and reduce lot dimensions for medium density single unit detached dwellings. **(moved to March 4, 2024 City Council Regular Session meeting)**

ACTION ITEMS

3. PARTICIPATION IN LANE COUNTY APPLICATION TO THE EPA’S COMMUNITY CHANGE GRANT PROGRAM

Consider adoption of **Resolution No. 2, Series 2024**, a resolution establishing approval to participate in the Lane County grant application for the EPA’s Community Change Grant Program to include the Senior Center expansion project, and delegating authority to the City Manager or designee to submit the project to Lane County for inclusion in the countywide grant application.

Start Time: 7:19 p.m.
 Discussion: CM Messmer presented the staff presentation.
 Handouts: Staff Presentation
 Discussion: The City Council discussed...
 • Understanding support of Senior Center Boosters and their recommendation.
 • Understanding estimated project costs.
 Comments: Councilor Carp

Action: Approve Resolution No. 2, Series 2024.

Motion: Councilor Wantz
Second: Councilor Beaudreau
Roll Call: Councilor Beaudreau, 'Aye'
Councilor Meyer, 'Aye'
Councilor Wantz, 'Aye'
Councilor Carp, 'Aye'
Mayor Ward, 'Aye'
Motion passes 'unanimously'

4. BRIDGEWATER RESTAURANT CHANGE OF LOCATION LIQUOR LICENSE

Consider recommendation of approval to the Oregon Liquor & Cannabis Commission (OLCC) for a change of location liquor license for the Bridgewater Restaurant. The business is moving from 1297 Bay Street to 1341 Bay Street.

Start Time: 7:47 p.m.
Discussion: FM Purcell presented the staff presentation.
Handouts: Staff Presentation
Discussion: The City Council discussed...

- Understanding Off-premises License.

Comments: Councilor Wantz

Action: Approve recommendation of approval to the Oregon Liquor & Cannabis Commission (OLCC) for a change of location liquor license for the Bridgewater Restaurant.

Motion: Councilor Meyer
Second: Councilor Wantz
Roll Call: Councilor Carp, 'Aye'
Councilor Wantz, 'Aye'
Councilor Meyer, 'Aye'
Councilor Beaudreau, 'Aye'
Mayor Ward, 'Aye'
Motion passes 'unanimously'

CONSENT AGENDA

5. APPROVAL OF MEETING MINUTES

Consider approval of the January 4, 2024 City Council Work Session, January 8, 2024 City Council Regular Session, January 11, 2024 City Council Work Session, and January 22, 2024 City Council Regular Session meeting minutes.

Start Time: 7:50 p.m.
Discussion: City Council...

- No discussion.

Action: Approve the consent agenda as presented.
Motion: Councilor Wantz
Second: Councilor Beaudreau
Roll Call: Councilor Carp, 'Aye'
Councilor Wantz, 'Aye'
Councilor Meyer, 'Aye'
Councilor Beaudreau, 'Aye'
Mayor Ward, 'Aye'
Motion passes 'unanimously'

REPORT & DISCUSSION ITEMS

6. SIUSLAW RIVER SLOPE STABILIZATION PROJECT UPDATE

Public Works Director Mike Miller will provide the City Council an update on the Siuslaw River Slope Stabilization Project.

Start Time: 7:52 p.m.

Discussion: PWD Miller presented the staff presentation.

Handouts: Staff Presentation

Discussion: The City Council discussed...

- Short term solution area also included in long term solution area.
- Understanding how slope failure happens and how rip rap prevents erosion.
- Possibility of merging project with HOA and Coast Guard together with the City of Florence.
- By bringing in US Army Corp of Engineers and Water Resources Development Act, possibility of extending project further down the river.
- Being concerned about HOA participation.
- Thoughts on how bad situation could become and necessity of how soon to act.

Comments: Councilors Wantz, Carp, and Beaudreau and Mayor Ward

Discussion: Staff discussed...

- Coast Guard has done a great job maintaining their bank up to their property line.
- Photo demonstrates area south of Coast Guard Station showing active slide area.
- Currently working with the Coast Guard; hopeful to bring additional funding sources from FEMA and Water Resources Development Act to bring in US Army

Corp of Engineers and Homeland Security and Coast Guard for a collaborative project.

- Water Resources Development Act will fund a study.
- Actively looking for funding; trying to address very active slide area.

Comments: PWD Miller

Council took a break from 8:23 p.m. to 8:27 p.m.

7. DEPARTMENT DIRECTOR UPDATES

Start Time: 8:27 p.m.

Discussion: The Department Directors discussed...

- Unofficial rainfall for January was 15.98 inches; average rainfall is 10.79 inches.
- Currently out of FloGrow. Due to all the rain in December and January, have not had the opportunity to screen the compost.
- Save the Date - Rhody Drive Realignment and Improvement Project Open House March 6th at Florence Events Center from 5:00 p.m. to 7:00 p.m. with a presentation at 6:00 p.m.
- Upcoming Collective Bargaining session.
- Updates on employment recruitments.
- Upcoming Planning Commission Work Session and EMAC and Transportation Committee meetings.
- Siuslaw Watershed annual plant giveaway last weekend. Gratitude to Councilor and Mrs. Carp for their coordination of Siuslaw Watershed Council meeting.
- CIS law enforcement expert performed a best practices assessment and the report came back with a very good assessment.
- Upcoming City Council Work Session is cancelled. Upcoming City Council retreat is February 12th and 13th.
- Upcoming events at the Florence Events Center.
- Peacehealth is sponsoring a Women's Health Fair on February 24th.
- Upcoming State of the City on February 26th.

Comments: PWD Miller, HRD Ferguson, CDD FarleyCampbell, Police Chief Pitcher, CR White, and ACM Messmer.

8. CITY MANAGER REPORT & DISCUSSION ITEMS

Start Time: 8:38 p.m.
Discussion: No report

9. CITY COUNCIL REPORT & DISCUSSION ITEMS

Start Time: 8:39 p.m.
Discussion: The City Council discussed...

- Upcoming Public Arts Committee for review of Art Exposed Revision Florence on February 15th.
- Gratitude to Mayor Ward for attending recent Public Arts Committee meeting and giving comments.
- Attending mock trials at Siuslaw High School; attending and giving a presentation at one of the civics classes.
- Viewing visitors enjoying the mural at ICM restaurant and enjoying the Old Town area.
- Attending the Winter Folk Festival and greeting the students.

Comments: All Councilors present.

Meeting adjourned at 8:44 p.m.

ATTEST:

Rob Ward, Mayor

Lindsey White, City Recorder

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Florence
City Council Work Session
Florence City Hall
250 Highway 101, Florence, Oregon
Final Action Minutes
February 22, 2024**

Councilors Present: Mayor Ward, Councilors Sally Wantz, Bill Meyer, Jo Beaudreau, and Robert Carp.
(in person and via Videoconference)

Councilors Absent: None.

Staff Present: City Manager Erin Reynolds, City Recorder Lindsey White, Police Chief John Pitcher, Public Works Director Mike Miller, and Community Development Director Wendy FarleyCampbell,
(in person)

Guests Present: Florence Emergency Cold Weather Shelter Committee (FECWSC) Representative Kate McClellan and The Nancy Devereux Center Executive Director Tara Johnson.

Handout: 2.22.24 City Council Meeting Base Presentation

CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE

Meeting called to order at 8:45 a.m.

1. WORK SESSION TOPICS

- **THE BRIDGES PROGRAM OF FLORENCE PRESENTATION:** The City Council will receive a presentation on the Bridges Program of Florence, an emergency shelter project of the Florence Emergency Cold Weather Shelter Committee and the Nancy Devereux Center. The Bridges Program of Florence is funded through the State of Oregon and Lane County’s All-In Grant Program dollars.
- **THE BRIDGES PROGRAM OF FLORENCE TOUR:** At the conclusion of the Work Session, the City Council will tour the Bridges of Florence located at 5260 Highway 101.

Start Time: 8:45 a.m.
Topic: The City Council participated in the introductions and agenda overview and held no additional discussions.

Start Time: 8:49 a.m.
Topic: Presentation on the Bridges Program of Florence, an emergency shelter project of the Florence Emergency Cold Weather Shelter Committee and the Nancy Devereux Center.

Discussion: FECWS representative McClellan and The Devereux Center Executive Director Johnson presented the staff presentation.

Handouts: Staff Presentation

Discussion: The City Council discussed...

- Assigning a case manager to all guests?
- Describing case manager's experience.
- Ability to contact people on wait list.
- Understanding triggers for becoming unhoused.
- Coordinating organizations to work together.
- Grateful to have a person with experience collaborating with the Bridges Program of Florence.
- Appreciating having people helping others to navigate the system.
- Future funding?
- Understanding funding for Coalbank Village.

Comments: All Councilors present.

Discussion: Staff discussed...

- Upcoming Governor's housing bill before the Senate.
- Discussions on Ballot Measure 110 measure reform.
- Using Deflections Program for first time offenders.
- Repeat offenders will be required to go through Circuit Court.
- Submitting a letter of support for Deflections Program.

Comments: CM Reynolds and Police Chief Pitcher.

Meeting adjourned at 10:02 a.m.

The City Council and staff took a tour of The Bridges Program of Florence at 5250 Highway 101 led by Site Manager Cody Hughes and Site Monitor Ronnie Widner that ended at 11:00 a.m.

ATTEST:

Rob Ward, Mayor

Lindsey White, City Recorder

DRAFT

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

City of Florence
City Council Work Session
Florence City Hall
250 Highway 101, Florence, Oregon
Final Action Minutes
March 7, 2024

Councilors Present: Mayor Ward, Councilors Sally Wantz, Bill Meyer, Jo Beaudreau, and Robert Carp.
(in person and via Videoconference)

Councilors Absent: None.

Staff Present: City Manager Erin Reynolds, City Recorder Lindsey White, Community Development Director Wendy FarleyCampbell, Police Chief John Pitcher, Public Works Director Mike Miller, and Associate Planner Clare Kurth.
(in person)

Guests Present: Planning Commissioner Kevin Harris.

Handout: 3.7.24 City Council Meeting Base Presentation

CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE

Meeting called to order at 8:47 a.m.

1. WORK SESSION TOPICS

- **HOUSING CODE UPDATES 2C:** Community Development Director Wendy FarleyCampbell will give a presentation on housing code updates related to Title 10, Chapters 7 and 19 to discuss clear and objective standards for residential development as it relates to natural resources and natural hazard protection.

Start Time: 8:48 a.m.

Topic: The City Council participated in the introductions and agenda overview and held no additional discussions.

Start Time: 8:50 a.m.

Topic: Presentation on housing code updates related to Title 10, Chapters 7 and 19 to discuss clear and objective standards

for residential development as it relates to natural resources and natural hazard protection.

Discussion: CDD FarleyCampbell presented the staff presentation.

Handouts: Staff Presentation

Discussion: The City Council discussed...

- Understanding process for adopting flood maps.
- Frequency of flood map updates.
- Building in a flood zone and tsunami zone.
- Developing wetland areas.

Comments: All Councilors present.

Discussion: Staff discussed...

- Federal government updates flood maps.
- Utilizing referral agencies' comments when proposals are submitted.
- Understanding Zoning Map.
- Updating codes to follow State's direction.

Comments: CDD FarleyCampbell and CM Reynolds.

Meeting adjourned at 9:52 a.m.

ATTEST:

Rob Ward, Mayor

Lindsey White, City Recorder

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 8

Meeting Date: March 18, 2024
Department: Administrative Svcs

ITEM TITLE: Financial Report for the Quarter Ending December 31, 2023

DISCUSSION/ISSUE:

In an effort to improve financial and management reporting to the City Council, citizens and other interested individuals we have prepared the attached quarterly report.

FISCAL IMPACT:

Staff time to prepare.

RELEVANCE TO ADOPTED CITY WORK PLAN:

Improves financial and management reporting to inform decisions.

ALTERNATIVES: N/A

RECOMMENDATION:

N/A

AIS PREPARED BY: Anne Baker, Administrative Services Director

CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other

Comments:

ERReynolds

ITEM'S ATTACHED: Quarterly Report for the period ending December 31, 2023



City of Florence, Oregon

Financial Report

Quarter Ended December 31, 2023

March 18, 2024

Dear Mayor Ward, City Councilors, Citizens of Florence and other interested individuals;

We are pleased to report on activities and progress we have made on Council goals on behalf of the City of Florence for the last quarter of the biennium ending December 31, 2023. The report includes comparisons of actual to budgeted amounts, a City-wide summary of beginning fund balances, current period resources and expenditures, and the ending fund balance for all funds and narrative explaining results and highlights for the quarter. The financial information presented is unaudited and any significant adjustments are noted.

The City is still doing its audit work. Between having new auditors for the 2022-23 fiscal year and preparing for the Tyler ERP Pro conversion starting in January 2024, things are taking longer than expected.

Please note that the budgeted amounts presented reflect the City's budget for the July 1, 2021 – June 30, 2023 biennium. Additionally, we have included reporting on the City's debt such as outstanding amounts, debt coverage ratios, maturities, and interest rates.

Budgeted amounts presented generally have been allocated proportionately, i.e., twelve and a half percent (12.5%) of the biennial amount for the quarter.

City Council continues to embrace five goals which assist in the building of the City Workplan. The current Workplan for the 2021-23 biennium can be found at <https://www.ci.florence.or.us/council/city-council-goals-work-plan>

These goals are:

- City Service Delivery
- Livability and Quality of Life
- Economic Development
- Communication and Trust, and
- Financial and Organizational Sustainability



Operations

- City Council
 - City Manager Evaluation Process
 - Participated in a Joint Work Session with the Planning Commission
 - Attended the League of Oregon Cities (LOC) Annual Conference
 - Adopted the 2024 City Council Meeting Calendar
 - Presented three proclamations
 - Approved
 - ✓ Three liquor licenses
 - ✓ Annexation
 - ✓ Zone
- City Recorder
 - Coordinated meeting materials for City Council Work Sessions, Executive Sessions, Regular Sessions and Florence Urban Renewal Meetings
 - Facilitated a Florence Urban Renewal Agency member recruitment
 - Continued progress on records archiving and organization
 - Responded to 15 public records requests
- Administrative Services
 - Continued to work on implementing Tyler Technology's ERP Pro
 - Entered into contracts with Hyak and Ancero to provide IT managed services
 - The ASD Director was accepted into and attended GFOA's Leadership Academy
 - Awarded GFOA's Distinguished Budget Presentation Award
 - Awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting
- Community Development
 - Processed Code update to RCC 7-1 regarding on-street parking criteria related to time, placement, and manner for the use of the public rights-of-way
 - Processed the final hearing of the adoption of the Florence Transportation Systems Plan, 2023 and associated code and comp plan amendments
 - Concluded a year-long process for long-range planning
- Public Works
 - Council approved the purchase of two 2024 Ford F150 4x4 full hybrid pickup trucks for the Florence Police Department and two 2024 Ford F150 4x4 full hybrid and one Ford F260 4x4 electric pickups for Public Works.
 - Completion of the airport pavement rehabilitation project – specifically the permanent striping and legend markings
 - Installation of new signage and parallel parking legends along Bay Street west of the Siuslaw River Bridge
 - Holiday lighting at City facilities and the tree lighting event in Old Town
 - Awarded Rhododendron Drive Realignment and Improvement Project to K&E Excavating, Inc.
 - Awarded the Greentrees Village Water Service Modification project to Ray Wells Inc. for \$207,412

- Public Safety
 - Met with CIS, the City's Insurance provider, to conduct a Best Practices Assessment of the Department
 - Met With the CIS Jail Representative to discuss the possible use of health monitors in the jail
 - Communications Officer Ashley Dickson was presented with a Unit Citation for Excellence in Care Award. CO Dickson was the dispatcher on duty when a young man was involved in an ATV accident.
 - Assigned 2,440 new case numbers
 - Answered 620 9-1-1 calls
 - Held 78 people in the jail

- Florence Events Center
 - Adopted the 2023-28 Lane County Multi-Jurisdictional Natural Hazard Mitigation Plan
 - Continued to represent the City and the FEC on the Travel Lane County Board
 - Continued to improve the maintenance and implementation of FEC systems, including the selection of a new point of sale system
 - Continued to work with groups and event organizers on their use of the FEC rental space
 - ✓ Large recurring events: Feast of the Tabernacles Conference, Rhody Society Conference, Preparedness Expo, LRP production, Delta Gamma event, Empty Bowls, FRAA Holiday Art Fest, Holly Jolly Follies, SOUP Conference, Rotary, Siuslaw Band and Choir concerts, and Light Up a Life
 - ✓ New events to the FEC: CROW Haunted Maze and RAIN's Holiday Happy Hour
 - Hosted
 - ✓ FEC Volunteer Luncheon
 - ✓ 2nd Annual FEC Holiday Bazaar

- City Manager's Office
 - CM and ACM attended the International City Management Conference
 - CM and ACM accompanied the City Council at the League of Oregon Cities Conference
 - ACM presented at the Oregon American Public Works Association Conference on the ReVision Florence project with the project's lead engineer
 - Processed the request for the Florence Warming Center
 - Participated in the West Lane Crisis Response HRSA planning grant network meetings

- Economic Development
 - Attended the Oregon Coast Board of Realtors general membership meeting and continued to work with their government affairs committee
 - Attended the Arts and Economic Prosperity Study presentation
 - Published four editions of The Florence Four to provide business resources
 - Continued work related to partnerships and network building, including RAIN (Regional Accelerator and Innovation Network), Florence Area Chamber of Commerce, Lane Workforce Partnership, Collaborative EDO, Lane Small Business Development Center, Lane County Community and Economic Development, Oregon Coast Visitors Association, WorkSource Oregon, and the South Coast Development Council


- Emergency Management
 - RARE Participant attended the Oregon Emergency Management Association Conference
 - Coordinated and worked the WLEOG Disaster Preparedness Expo
 - Participated in the interview process for the Lane County Emergency Manager
 - Adopted the 2023-28 Lane County Multi-Jurisdictional Natural Hazard Mitigation Plan

If you have any questions, please let Erin or me know.

Sincerely,



Erin Reynolds
City Manager



Anne Baker, CPFO, MAcc
Administrative Services Director

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City-wide - All Funds

The City began the quarter with a combined \$18.63 million fund balance. During the quarter the City received \$7.85 million in revenue, had operating expenditures of \$5.68 million and invested \$1.26 million in capital.

All funds with the exception of the Building and the Airport funds ended the quarter with a positive ending fund balance. Fund balances have both increased and decreased due to 1) the General Fund ending balance increased due to the receipt of property taxes in the quarter, and 2) as the Banner Bank financing is used on the projects it is funding, balances in the funds which received the financing will decrease.

The City's ending combined fund balance totals \$19.53 million, an increase of \$906,015. The increase is due to property taxes received in November and December. The property tax payments received will be used to fund operations of the City for the remainder of the fiscal year.

Quarter Ended December 31, 2023

Information for the quarter ending December 31, 2023 only

Fund	Beginning Fund Balance	Revenue	Total Resources	Expenses	Capital Outlay	Debt Service	Total Expenditures	Ending Fund Balance
General	2,044,468	3,833,750	5,878,218	1,706,299	11,504	-	1,717,803	4,160,415
Street	448,085	384,123	832,208	458,392	49,713	-	508,105	324,103
9-1-1	704,480	209,034	913,514	176,944	-	-	176,944	736,570
Transient Lodging Tax	24,484	146,334	170,818	144,257	-	-	144,257	26,561
ARPA Funds	579,044	6,362	585,406	-	-	-	-	585,406
Building Fund	(1,920)	82,585	80,665	83,471	-	-	83,471	(2,806)
Events Center	447,449	195,217	642,666	274,563	-	-	274,563	368,103
Water	3,901,287	679,826	4,581,113	434,310	90,734	191,876	716,920	3,864,193
Wastewater	6,553,951	1,082,532	7,636,483	625,172	120,896	429,526	1,175,594	6,460,889
Stormwater	1,336,690	177,838	1,514,528	123,115	19,318	45,331	187,764	1,326,764
Airport	233,766	31,395	265,161	44,557	968,237	-	1,012,794	(747,633)
Public Works Admin	972,230	475,307	1,447,537	423,989	1,168	-	425,157	1,022,380
Street SDC	102,390	9,523	111,913	4,173	-	-	4,173	107,740
Water SDC	210,368	37,039	247,407	16,673	-	-	16,673	230,734
Wastewater SDC	449,705	43,894	493,599	16,679	-	-	16,679	476,920
Stormwater SDC	154,170	20,704	174,874	4,176	-	-	4,176	170,698
Debt Service	579,769	523,169	1,102,938	450	-	628,787	629,237	473,701
Totals	18,738,954	7,938,632	26,677,586	4,537,220	1,261,570	1,295,520	7,094,310	19,583,276

The Florence Urban Renewal Agency (FURA) funds are not included in the above schedule as FURA is a separate entity from the City.

General Fund

The City's general fund accounts for all the City's governmental operations, excluding transportation and emergency dispatch. During the quarter revenue was above budget for the quarter. Revenue such as property tax and franchise fees are cyclical, meaning we receive them at certain times during the year. The City receives its major portion of property taxes in November.

Transfers were made as budgeted for the quarter. Revenues were significantly over budgeted estimates for the quarter due to the main property tax turnovers were received in November and December, and due to revenues being more cyclical than monthly. Debt proceeds for the biennium have not been utilized, and Franchise fees and charges for services are near budgeted amounts for the quarter.

During the quarter, overall expenditures were below budget. As it is fairly early in the budgetary period, all departments are under budget for the biennium.

Overall, the General Fund realized an increase in fund balance of \$2,115,947 during the quarter. The General Fund's ending balance is expected to decrease each remaining quarter of the fiscal year as one of its main revenue sources, property taxes, is used to fund its operations.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Beginning Fund Balance	\$ 409,400	\$ -	\$ (409,400)	\$ 3,275,000	\$ 3,479,959	\$ 204,959
Current resources						
Taxes	800,400	2,916,793	2,116,393	6,403,000	2,921,138	(3,481,862)
Franchise Fees	275,700	224,806	(50,894)	2,205,700	396,755	(1,808,945)
Intergovernmental	204,100	102,613	(101,487)	1,633,100	124,362	(1,508,738)
Charges for Services	561,300	516,770	(44,530)	4,490,100	1,048,216	(3,441,884)
Earnings & Contributions	58,800	72,768	13,968	470,200	163,224	(306,976)
Debt proceeds	76,300	-	(76,300)	610,000	-	(610,000)
Total current resources	1,976,600	3,833,750	1,857,150	15,812,100	4,653,695	(11,158,405)
Total resources	\$ 1,976,600	\$ 3,833,750	\$ 1,447,750	\$ 19,087,100	\$ 8,133,654	\$ (10,953,446)
Expenditures						
Public Safety	751,600	598,524	(153,076)	6,012,700	1,367,980	(4,644,720)
Community Development	174,000	127,028	(46,972)	1,391,600	263,315	(1,128,285)
Parks	252,000	110,188	(141,812)	2,015,100	340,885	(1,674,215)
Municipal Court	99,200	85,347	(13,853)	793,300	154,243	(639,057)
Administration	366,900	261,155	(105,745)	2,934,500	619,613	(2,314,887)
Administrative Services	387,100	321,175	(65,925)	3,098,100	802,271	(2,295,829)
Non-Departmental	41,300	51,472	10,172	330,700	101,868	(228,832)
Total expenditures	2,072,100	1,554,889	(517,211)	16,576,000	3,650,175	(12,925,825)
Transfers	174,000	162,914	(11,086)	1,392,300	323,064	(1,069,236)
Other requirements						
Contingency	139,900	-	(139,900)	1,118,800	-	(1,118,800)
Total other requirements	139,900	-	(139,900)	1,118,800	-	(1,118,800)
Total expenditures and other requirements	2,386,000	1,717,803	(668,197)	19,087,100	3,973,239	(15,113,861)
Beginning balance	409,400	2,044,468	1,635,068	3,275,000	3,479,959	204,959
Ending Balance	\$ -	\$ 4,160,415	\$ 4,160,415	\$ -	\$ 4,160,415	\$ 4,160,415



Street Fund

This fund accounts for the City's street-related activities. During the quarter, revenues received were below budget expectations. All revenue was above expectations for the quarter except intergovernmental revenues. This is due to grant revenue timing.

With respect to expenditures, all categories except materials and services are under budget, which may need a supplemental. Another \$3.5 million will be drawn in the spring of 2024 to fund the street portion of the Rhododendron Realignment Project.

Expenses for the quarter exceeded revenues as the Rhododendron Drive project ramps up leaving a fund balance of \$324,103 for the quarter and biennium.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Franchise Fees	\$ 27,100	\$ 46,188	\$ 19,088	\$ 217,000	\$ 53,825	\$ (163,175)
Intergovernmental	315,200	200,739	(114,461)	2,521,600	431,024	(2,090,576)
Charges for Services	129,900	126,764	(3,136)	1,039,300	254,562	(784,738)
Earnings & Contributions	1,800	6,265	4,465	14,000	13,840	(160)
Transfers in	12,500	4,167	(8,333)	100,000	16,667	(83,333)
Debt proceeds	562,500	-	(562,500)	4,500,000	-	(4,500,000)
Total current resources	\$ 1,049,000	\$ 384,123	\$ (664,877)	\$ 8,391,900	\$ 769,918	\$ (7,621,982)
Expenditures						
Personnel Services	16,700	14,977	(1,723)	133,700	31,618	(102,082)
Materials & Services	198,500	204,849	6,349	1,588,200	429,828	(1,158,372)
Capital Purchases	678,100	49,713	(628,387)	5,425,000	272,046	(5,152,954)
Transfers	160,000	238,566	78,566	1,279,800	238,566	(1,041,234)
Total expenditures	1,053,300	508,105	(545,195)	8,426,700	972,058	(7,454,642)
Other requirements						
Contingency	16,800	-	(16,800)	134,300	-	(134,300)
Total other requirements	16,800	-	(16,800)	134,300	-	(134,300)
Total expenditures and other requirements	1,070,100	508,105	(561,995)	8,561,000	972,058	(7,588,942)
Total resources over (under) requirements						
Beginning balance	21,100	448,085	426,985	169,100	526,243	357,143
Ending Balance	\$ -	\$ 324,103	\$ 324,103	\$ -	\$ 324,103	\$ 324,103

9-1-1 Fund

This fund accounts for the area's 9-1-1 emergency dispatch operations, managed by the City. The City charges users, including the City police department, of emergency dispatch services and receives dedicated tax revenue for 9-1-1 operations. The police department charge for services is included in transfers from the general fund.

Revenue from 9-1-1 user taxes and charges for services anticipated for the quarter are on target with estimates. Receipt of payments lag from the quarter earned; Services provided for the quarter being reported are expected to be received in the next quarter. Interest received on the fund balance is higher than the conservative estimate used during the budget process due to the rate increases from the FED.

Total expenditures for the biennium are below budget in all areas at December 31st.

Overall, 9-1-1 Fund expenditures exceeded revenue by \$32,090 for the quarter leaving an ending fund balance of \$736,570.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Taxes	\$ 63,800	\$ 50,582	\$ (13,218)	\$ 510,000	\$ 50,582	\$ (459,418)
Intergovernmental	100	-	(100)	-	282,515	282,515
Charges for Services	37,500	2,910	(34,590)	299,900	144,143	(155,757)
Earnings & Contributions	300	7,892	7,592	3,000	15,761	12,761
Transfers in	147,600	147,650	50	1,181,200	295,300	(885,900)
Total current resources	\$ 249,300	\$ 209,034	\$ (40,266)	\$ 1,994,100	\$ 788,301	\$ (1,205,799)
Expenditures						
Personnel Services	200,600	137,537	(63,063)	1,604,200	274,717	(1,329,483)
Materials & Services	54,400	39,407	(14,993)	435,400	124,745	(310,655)
Capital Purchases	11,300	-	(11,300)	90,000	282,515	192,515
Total expenditures	266,300	176,944	(89,356)	2,129,600	681,977	(1,447,623)
Other requirements						
Contingency	55,600	-	(55,600)	445,100	-	(445,100)
Total other requirements	55,600	-	(55,600)	445,100	-	(445,100)
Total expenditures and other requirements	321,900	176,944	(144,956)	2,574,700	681,977	(1,892,723)
Total resources over (under) requirements						
Beginning balance	72,600	704,480	631,880	580,600	630,246	49,646
Ending Balance	\$ -	\$ 736,570	\$ 736,570	\$ -	\$ 736,570	\$ 736,570



Transient Lodging Tax Fund

This fund accounts for the City's share of the tourism promotion tax (4%). Tourism activity continues to grow. The City entered into an MOU with the State Department of Revenue to collect its taxes as of October 2022. The State remits the City's taxes on a quarterly basis.

Transient room taxes are allocated forty percent (40%) to tourism promotion via contract with the Chamber of Commerce and sixty percent (60%) to the Florence Events Center. Quarterly payments to the Chamber and transfers to the FEC are made as revenue is received.

Revenue received for the quarter is right on target with budget estimates. Expenditures are following revenue trends.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Taxes	\$ 146,600	\$ 144,879	\$ (1,721)	\$ 1,172,900	\$ 144,879	\$ (1,028,021)
Total current resources	146,725	146,334	(391)	1,173,900	146,721	(1,027,179)
Expenditures						
Materials & Services	58,825	57,901	(924)	470,000	57,901	(412,099)
Transfers	87,200	86,356	(844)	697,800	86,356	(611,444)
Total expenditures	146,025	144,257	(1,768)	1,167,800	144,257	(1,023,543)
Other requirements						
Reserves	3,800	-	(3,800)	30,500	-	(30,500)
Total other requirements	3,800	-	(3,800)	30,500	-	(30,500)
Total expenditures and other requirements	149,825	144,257	(5,568)	1,198,300	144,257	(1,054,043)
Total resources over (under) requirements						
Beginning balance	3,100	24,484	21,384	24,400	24,097	(303)
Ending Balance	\$ -	\$ 26,561	\$ 26,561	\$ -	\$ 26,561	\$ 26,561

American Rescue Act Plan (ARPA) Fund

The American Rescue Plan Act (ARPA), also called the Covid-19 Stimulus Package or American Rescue Plan, is a \$1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by the President on March 11, 2021. The City of Florence received \$2,032,574 in funds through the State of Oregon as a Non-Entitlement Unit (NEU). The funding arrived in two tranches, one received in August 2021 and one in August 2022.

In May 2022, the City Council approved the use of funds with the adoption of Resolution No. 17, Series 2022. This resolution adopted a supplemental budget appropriating the ARPA funding, which was budgeted in contingency during the 2021-23 biennial budget process.

ARPA funding is required to be obligated by December 31, 2024 and expended by December 31, 2026. The City is required to report on its use of the funding annually in April until all funds have been expended.

The revenue for the quarter represents interest earnings on the fund balance. The balance of \$585,406 is earmarked for projects in Old Town.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Earnings & Contributions	\$ 500	\$ 6,362	\$ 5,862	\$ 4,000	\$ 12,589	\$ 8,589
Total current resources	500	6,362	5,862	4,000	12,589	8,589
Expenditures						
Capital Purchases	71,400	-	(71,400)	570,900	-	(570,900)
Total expenditures	71,400	-	(71,400)	570,900	-	(570,900)
Total expenditures and other requirements	71,400	-	(71,400)	570,900	-	(570,900)
Total resources over (under) requirements						
Beginning balance	70,900	579,044	508,144	566,900	572,817	5,917
Ending Balance	\$ -	\$ 585,406	\$ 585,406	\$ -	\$ 585,406	\$ 585,406

Building Fund

The Building Fund was established during the 2023-25 biennial budget process to account for the revenues and expenditures of the building program. Revenues include building, electrical, and plumbing permits. Expenditures include the salary and benefits of the City's Building Permit Tech.

The State of Oregon requires the operations of the building functions to be self-supporting, but during the 2023-25 biennium, it is expected the General Fund will be providing transfers as revenues are not yet enough to cover the expenses.

The fund's beginning balance was \$(1,920) and it ended the quarter with \$(2,806), which includes \$25,000 from the General Fund.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Charges for Services	\$ 100,500	\$ 69,947	\$ (30,553)	\$ 805,000	\$ 125,150	\$ (679,850)
Earnings & Contributions	-	138	138	-	264	264
Transfers in	11,100	12,500	1,400	88,800	25,000	(63,800)
Total current resources	111,600	82,585	(29,015)	893,800	150,414	(743,386)
Expenditures						
Personnel Services	20,300	17,362	(2,938)	162,600	36,574	(126,026)
Materials & Services	82,000	66,109	(15,891)	656,500	116,646	(539,854)
Total expenditures	102,300	83,471	(18,829)	819,100	153,220	(665,880)
Other requirements						
Contingency	9,300	-	(9,300)	74,700	-	(74,700)
Total other requirements	9,300	-	(9,300)	74,700	-	(74,700)
Total expenditures and other requirements	111,600	83,471	(28,129)	893,800	153,220	(740,580)
Total resources over (under) requirements						
Beginning balance	-	(1,920)	(1,920)	-	-	-
Ending Balance	\$ -	\$ (2,806)	\$ (2,806)	\$ -	\$ (2,806)	\$ (2,806)

Florence Events Center Fund

This fund accounts for the activities of the City's events center.

Revenue is under budget for the quarter due to debt proceeds not being utilized. Intergovernmental revenue is also above budget estimates for the biennium as the amount received for the RTMP grant was more than expected. Charges for services is above budgeted estimates and interest earned is declining slightly as the fund balance decreases.

Overall expenses are under budget for the quarter, but personnel services and materials and services are increasing as full staffing and events resume. Both are expected to remain within budget for the biennium.

For the quarter the FEC Fund's revenues were \$79,346 below the expenses for the quarter leaving a fund balance of \$368,103. The deficit is due to not having received the RTMP funds from Lane County.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Intergovernmental	\$ 38,100	\$ -	\$ (38,100)	\$ 305,000	\$ -	\$ (305,000)
Charges for Services	169,200	105,874	(63,326)	1,353,200	181,103	(1,172,097)
Earnings & Contributions	5,875	2,987	(2,888)	47,000	7,694	(39,306)
Transfers in	87,200	86,356	(844)	697,800	86,356	(611,444)
Debt proceeds	103,100	-	(103,100)	825,000	-	(825,000)
Total current resources	403,475	195,217	(208,258)	3,228,000	275,153	(2,952,847)
Expenditures						
Personnel Services	100,000	91,646	(8,354)	800,200	178,822	(621,378)
Materials & Services	210,450	182,917	(27,533)	1,683,800	335,500	(1,348,300)
Capital Purchases	103,125	-	(103,125)	825,000	24,483	(800,517)
Debt service	-	-	-	-	-	-
Total expenditures	413,575	274,563	(139,012)	3,309,000	538,805	(2,770,195)
Other requirements						
Contingency	34,000	-	(34,000)	271,700	-	(271,700)
Total other requirements	34,000	-	(34,000)	271,700	-	(271,700)
Total expenditures and other requirements	447,575	274,563	(173,012)	3,580,700	538,805	(3,041,895)
Total resources over (under) requirements						
Beginning balance	44,100	447,449	403,349	352,700	631,755	279,055
Ending Balance	\$ -	\$ 368,103	\$ 368,103	\$ -	\$ 368,103	\$ 368,103

Water Fund

This fund accounts for the City's water utility activities. Revenue during the quarter was over the quarterly budgeted amounts due to interest earnings on the fund balance and increased charges for services. Transfers from the SDC fund were made as budgeted.

Expenditures except for debt service were under budget for the quarter, but all are under budget for the biennium. The difference in debt payments can be attributed to timing. Capital purchases are under budget as expenses are not made equally throughout the year. Debt payments were made as they became due during the quarter.

Interest earnings are exceeding the expectations set in the budget process. Increased fund balance due to the debt proceeds were not taken into consideration and interest increases by the FED were not anticipated when the budget was prepared.

During the quarter expenses exceeded revenues by \$37,094 leaving a fund balance of \$3,864,193, an increase of \$306,729 since July 1.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Charges for Services	\$ 612,200	\$ 611,614	\$ (586)	\$ 4,897,400	\$ 1,415,811	\$ (3,481,589)
Earnings & Contributions	-	51,545	51,545	-	92,875	92,875
Transfers in	43,800	16,667	(27,133)	350,000	66,667	(283,333)
Total current resources	656,000	679,826	23,826	5,247,400	1,575,353	(3,672,047)
Expenditures						
Personnel Services	116,150	102,198	(13,952)	928,500	214,353	(714,147)
Materials & Services	378,850	332,112	(46,738)	3,031,000	728,271	(2,302,729)
Capital Purchases	374,400	90,734	(283,666)	2,995,000	134,124	(2,860,876)
Debt service	104,300	191,876	87,576	834,100	191,876	(642,224)
Total expenditures	973,700	716,920	(256,780)	7,788,600	1,268,624	(6,519,976)
Other requirements						
Contingency	124,800	-	(124,800)	998,700	-	(998,700)
Total other requirements	124,800	-	(124,800)	998,700	-	(998,700)
Total expenditures and other requirements	1,098,500	716,920	(381,580)	8,787,300	1,268,624	(7,518,676)
Total resources over (under) requirements						
Beginning balance	442,500	3,901,287	3,458,787	3,539,900	3,557,464	17,564
Ending Balance	\$ -	\$ 3,864,193	\$ 3,864,193	\$ -	\$ 3,864,193	\$ 3,864,193



Wastewater Fund

This fund accounts for the City's wastewater operations. Charges for services are at normal levels for the quarter. Capital expenditures are less than budgeted pending final agreement for the various projects.

Charges for sewer services are below estimates for the quarter. Overall, revenues are under budgeted amounts for the biennium. Intergovernmental is under budget as the Opportunity/Stimulus grant not being utilized yet. Transfers from the Wastewater SDC fund are made as expenses qualify for the funding.

On the expenditure side, operating costs for the quarter are below budget for the quarter even though materials & services and debt service are over budget for the quarter. For reporting purposes, the budget is divided equally between quarters, which isn't how actual expenses are incurred. Costs continue to be within budget for the biennium.

Expenses exceeded revenues \$93,062 for the quarter leaving a fund balance of \$6.46 million.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Intergovernmental	\$ 87,500	\$ -	\$ (87,500)	\$ 700,000	\$ -	\$ (700,000)
Charges for Services	998,300	947,158	(51,142)	7,986,600	1,997,935	(5,988,665)
Earnings & Contributions	3,300	118,707	115,407	26,000	190,560	164,560
Transfers in	50,000	16,667	(33,333)	400,000	66,667	(333,333)
Total current resources	1,139,100	1,082,532	(56,568)	9,112,600	2,255,162	(6,857,438)
Expenditures						
Personnel Services	133,600	107,868	(25,732)	1,068,500	212,022	(856,478)
Materials & Services	502,500	517,304	14,804	4,019,700	1,049,666	(2,970,034)
Capital Purchases	725,600	120,896	(604,704)	5,805,000	387,295	(5,417,705)
Debt service	214,400	429,526	215,126	1,714,700	429,526	(1,285,174)
Total expenditures	1,576,100	1,175,594	(400,506)	12,607,900	2,078,509	(10,529,391)
Other requirements						
Contingency	302,500	-	(302,500)	2,420,300	-	(2,420,300)
Total other requirements	302,500	-	(302,500)	2,420,300	-	(2,420,300)
Total expenditures and other requirements	1,878,600	1,175,594	(703,006)	15,028,200	2,078,509	(12,949,691)
Total resources over (under) requirements						
Beginning balance	739,500	6,553,951	5,814,451	5,915,600	6,284,236	368,636
Ending Balance	\$ -	\$ 6,460,889	\$ 6,460,889	\$ -	\$ 6,460,889	\$ 6,460,889

Stormwater Fund

This fund accounts for the City's stormwater activities.

Revenue is above the budgeted amounts for the quarter following the trends in the Water and Wastewater funds.

Over all for the quarter, expenses are below budget. Debt service is over budget as debt payments are not made equally throughout the year.

Expenses for the quarter exceeded revenues by 9,926. The ending fund balance for the quarter of \$1.33 million increased \$20,698 from July 1.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Charges for Services	\$ 158,900	\$ 159,570	\$ 670	\$ 1,270,000	\$ 318,910	\$ (951,090)
Earnings & Contributions	2,700	14,101	11,401	21,400	27,958	6,558
Transfers in	12,500	4,167	(8,333)	100,000	16,667	(83,333)
Debt proceeds	52,500	-	(52,500)	420,000	-	(420,000)
Total current resources	326,600	177,838	(148,762)	2,611,400	363,535	(2,247,865)
Expenditures						
Personnel Services	65,100	51,032	(14,068)	520,500	113,848	(406,652)
Materials & Services	87,800	72,083	(15,717)	702,700	163,285	(539,415)
Capital Purchases	258,700	19,318	(239,382)	2,070,000	20,373	(2,049,627)
Debt service	17,800	45,331	27,531	143,000	45,331	(97,669)
Total expenditures	429,400	187,764	(241,636)	3,436,200	342,837	(3,093,363)
Other requirements						
Contingency	59,100	-	(59,100)	472,600	-	(472,600)
Total other requirements	59,100	-	(59,100)	472,600	-	(472,600)
Total expenditures and other requirements	488,500	187,764	(300,736)	3,908,800	342,837	(3,565,963)
Total resources over (under) requirements						
Beginning balance	162,200	1,336,690	1,174,490	1,297,400	1,306,066	8,666
Ending Balance	\$ 300	\$ 1,326,764	\$ 1,326,464	\$ -	\$ 1,326,764	\$ 1,326,764

Airport Fund

This fund accounts for the activities of the City's municipal airport.

Revenues received for the quarter were less than budgeted as grants are not cyclical in nature. Revenues lagged expenses by \$981,399 due to the runway project which is funded through grants from the FAA.

Capital expenses were over budget due to the runway project, but are expected to remain under budget for the biennium.

The fund ending balance is negative due to the timing of grant receipts.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Intergovernmental	\$ 223,600	\$ -	\$ (223,600)	\$ 1,789,000	\$ -	\$ (1,789,000)
Charges for Services	40,100	29,960	(10,140)	321,100	68,411	(252,689)
Earnings & Contributions	15,400	1,435	(13,965)	122,600	4,212	(118,388)
Total current resources	279,100	31,395	(247,705)	2,232,700	72,623	(2,160,077)
Expenditures						
Materials & Services	67,300	44,557	(22,743)	538,200	124,409	(413,791)
Capital Purchases	225,000	968,237	743,237	1,800,000	1,000,125	(799,875)
Total expenditures	292,300	1,012,794	720,494	2,338,200	1,124,534	(1,213,666)
Other requirements						
Contingency	25,400	-	(25,400)	203,400	-	(203,400)
Total other requirements	25,400	-	(25,400)	203,400	-	(203,400)
Total expenditures and other requirements	317,700	1,012,794	695,094	2,541,600	1,124,534	(1,417,066)
Total resources over (under) requirements						
Beginning balance	38,600	233,766	195,166	308,900	304,278	(4,622)
Ending Balance	\$ -	\$ (747,633)	\$ (747,633)	\$ -	\$ (747,633)	\$ (747,633)

Public Works Administration and Support Services Fund

This fund accounts for the activities of Public Works administration and staffing that serves several public works functions. Revenue is received through internal charges for services from benefitting funds.

Revenue for the quarter exceeded budget expectations due to increased interest earnings.

Expenses were under appropriations for the quarter and are expected to be under for the biennium as well. Transfers for debt payments were made as expected and are over budget for the quarter due to timing of the fund's obligations.

Ending fund balance for the quarter of \$1,02 million contains a \$250,000 grant and proceeds from the Banner Bank financing for the emergency refueling station.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Charges for Services	\$ 452,200	\$ 463,363	\$ 11,163	\$ 3,617,300	\$ 912,388	\$ (2,704,912)
Earnings & Contributions	500	11,944	11,444	4,000	22,244	18,244
Total current resources	452,700	475,307	22,607	3,621,300	934,632	(2,686,668)
Expenditures						
Personnel Services	226,800	168,915	(57,885)	1,815,100	353,659	(1,461,441)
Materials & Services	140,600	125,317	(15,283)	1,124,600	252,083	(872,517)
Capital Purchases	101,300	1,168	(100,132)	810,000	12,855	(797,145)
Transfers	65,000	129,757	64,757	519,900	129,757	(390,143)
Total expenditures	533,700	425,157	(108,543)	4,269,600	748,354	(3,521,246)
Other requirements						
Contingency	11,700	-	(11,700)	93,200	-	(93,200)
Total other requirements	11,700	-	(11,700)	93,200	-	(93,200)
Total expenditures and other requirements	545,400	425,157	(120,243)	4,362,800	748,354	(3,614,446)
Total resources over (under) requirements						
Beginning balance	92,700	972,230	879,530	741,500	836,102	94,602
Ending Balance	\$ -	\$ 1,022,380	\$ 1,022,380	\$ -	\$ 1,022,380	\$ 1,022,380

System Development Funds

The City maintains four separate funds to account for system development charge revenue; street, water, wastewater and stormwater. Revenue is accumulated and transferred to the various operational funds to pay for qualified improvements costs.

Revenue from all SDC's were below allocated budget in the quarter and the year. Transfers from SDC funds to the operating funds were made consistent with qualified project expenditures and the budget.

STREET SDC FUND

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Earnings & Contributions	\$ 5,300	\$ 9,523	\$ 4,223	\$ 42,000	\$ 16,009	\$ (25,991)
Total current resources	5,300	9,523	4,223	42,000	16,009	(25,991)
Expenditures						
Materials & Services	100	6	(94)	400	25	(375)
Transfers	12,500	4,167	(8,333)	100,000	16,667	(83,333)
Total expenditures	12,600	4,173	(8,427)	100,400	16,692	(83,708)
Other requirements						
Reserves	6,000	-	(6,000)	48,700	-	(48,700)
Total other requirements	6,000	-	(6,000)	48,700	-	(48,700)
Total expenditures and other requirements	18,600	4,173	(14,427)	149,100	16,692	(132,408)
Total resources over (under) requirements						
Beginning balance	13,300	102,390	89,090	107,100	108,423	1,323
Ending Balance	\$ -	\$ 107,740	\$ 107,740	\$ -	\$ 107,740	\$ 107,740

WATER SDC FUND

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Earnings & Contributions	\$ 25,800	\$ 37,039	11,239	\$ 206,000	\$ 57,025	(148,975)
Total current resources	25,800	37,039	11,239	206,000	57,025	(148,975)
Expenditures						
Materials & Services	-	6	6	400	25	(375)
Transfers	43,800	16,667	(27,133)	350,000	66,667	(283,333)
Total expenditures	43,800	16,673	(27,127)	350,400	66,692	(283,708)
Other requirements						
Reserves	10,800	-	(10,800)	86,200	-	(86,200)
Total other requirements	10,800	-	(10,800)	86,200	-	(86,200)
Total expenditures and other requirements	54,600	16,673	(37,927)	436,600	66,692	(369,908)
Total resources over (under) requirements						
Beginning balance	28,800	210,368	181,568	230,600	240,401	9,801
Ending Balance	\$ -	\$ 230,734	\$ 230,734	\$ -	\$ 230,734	\$ 230,734

WASTEWATER SDC FUND

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Earnings & Contributions	\$ 26,000	\$ 43,894	17,894	\$ 208,000	\$ 65,738	(142,262)
Total current resources	26,000	43,894	17,894	208,000	65,738	(142,262)
Expenditures						
Materials & Services	100	12	(88)	800	49	(751)
Transfers	50,000	16,667	(33,333)	400,000	66,667	(333,333)
Total expenditures	50,100	16,679	(33,421)	400,800	66,716	(334,084)
Other requirements						
Contingency	29,400	-	(29,400)	235,400	-	(235,400)
Total other requirements	29,400	-	(29,400)	235,400	-	(235,400)
Total expenditures and other requirements	79,500	16,679	(62,821)	636,200	66,716	(569,484)
Total resources over (under) requirements						
Beginning balance	53,500	449,705	396,205	428,200	477,898	49,698
Ending Balance	\$ -	\$ 476,920	\$ 476,920	\$ -	\$ 476,920	\$ 476,920



STORMWATER SDC FUND

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Earnings & Contributions	\$ 13,000	\$ 20,704	7,704	\$ 104,000	\$ 35,128	(68,872)
Total current resources	13,000	20,704	7,704	104,000	35,128	(68,872)
Expenditures						
Materials & Services	-	9	9	600	37	(563)
Transfers	12,500	4,167	(8,333)	100,000	16,667	(83,333)
Total expenditures	12,500	4,176	(8,324)	100,600	16,704	(83,896)
Other requirements						
Contingency	19,000	-	(19,000)	151,700	-	(151,700)
Total other requirements	19,000	-	(19,000)	151,700	-	(151,700)
Total expenditures and other requirements	31,500	4,176	(27,324)	252,300	16,704	(235,596)
Total resources over (under) requirements						
Beginning balance	18,500	154,170	135,670	148,300	152,274	3,974
Ending Balance	\$ -	\$ 170,698	\$ 170,698	\$ -	\$ 170,698	\$ 170,698



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Debt Service Funds

Debt Service Fund

This fund accounts for several debt service obligations incurred by the City, one of which is debt incurred to complete local improvements which are paid for by property owners via assessments against their properties (LID). The accumulated reserve balance for this debt is sufficient to pay approximately the next five years LID debt service payments without receiving any additional assessment payments from property owners.

Other revenue for the fund is received as payment from the Florence Urban Renewal Agency (FURA) for debt the City holds on its behalf and also as transfers from other funds for their portion of debt issues. The fund earns modest interest on the reserve balance, which is applied to the LID payments.

In the Spring of 2024, FURA will be satisfying its obligation on the FFCO borrowing from Banner Bank in the amount of \$150,000.

The fund balance of \$473,701 is reserved for future LID loan payments. This balance will continue to go down as the debt related to the LID's is paid.

	Quarter Ended December 31, 2023			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
Current resources						
Intergovernmental	\$ 134,900	\$ -	\$ (134,900)	\$ 1,079,500	\$ 111,112	\$ (968,388)
Earnings & Contributions	13,100	28,968	15,868	105,000	34,000	(71,000)
Transfers in	240,300	494,201	253,901	1,922,000	494,201	(1,427,799)
Total current resources	388,300	523,169	134,869	3,106,500	639,313	(2,467,187)
Expenditures						
Materials & Services	-	450	450	600	622	22
Debt service	403,500	628,787	225,287	3,227,400	739,899	(2,487,501)
Total expenditures	403,500	629,237	225,737	3,228,000	740,521	(2,487,479)
Total expenditures and other requirements	403,500	629,237	225,737	3,228,000	740,521	(2,487,479)
Other requirements						
Reserves	71,200	-	(71,200)	569,600	-	(569,600)
Total other requirements	71,200	-	(71,200)	569,600	-	(569,600)
Total expenditures and other requirements	474,700	629,237	154,537	3,797,600	740,521	(3,057,079)
Total resources over (under) requirements						
Beginning balance	86,400	579,769	493,369	691,100	574,909	(116,191)
Ending Balance	\$ -	\$ 473,701	\$ 473,701	\$ -	\$ 473,701	\$ 473,701

Debt Summary

The following schedule provides information related to the City's outstanding debt during the 2023-2025 biennium through fiscal year 2028. The schedule includes:

- Debt issue
- Fund(s) that the debt is repaid/budgeted
- Original amount of the loan
- The annual payment in fiscal year 2024
- Interest rate
- Maturity of the obligation
- Outstanding principal balance as of June 30, by fiscal year through 2027
- Estimated debt per capita for each fiscal year (Total City Debt)

The City's total debt per capita as of June 30, 2023 increased to \$2,777 from \$1,844 with the \$13.6 million Banner Bank financing, which closed at the end of April 2023. During the subsequent five fiscal years, the debt per capita is projected to decline to \$1,788 by June 30, 2028. Total debt outstanding at June 30, 2023 is \$26.7 million.

At June 30, 2023, the City's total debt, net of debt relating to the Florence Urban Renewal Agency is \$21.1 million.

Description	Fund(s)	Original Amount	Annual Payment FY 2024	Interest Rate	Maturity	Outstanding balance fiscal year ending June 30,					
						2024	2025	2026	2027	2028	2029
Existing Obligations											
LOCAP 2011	GF/Street/W/WW	1,245,000	65,000	3.0-4.6%	2030	545,000	475,000	405,000	330,000	255,000	175,000
LID 2010 (Spruce)	LID	1,478,000	80,000	1.9-4.5%	2030	745,000	660,000	570,000	470,000	365,000	250,000
FFCO 2010B	GF/WW/SW	8,750,000	75,000	2.5-4.0%	2030	590,000	515,000	440,000	360,000	275,000	185,000
OBDD SPW	WW	657,057	23,527	2.0-4.0%	2034	271,580	247,877	223,988	199,905	175,618	151,117
CWSRF	WW	4,923,260	241,756	0.50%	2032	2,175,796	1,934,040	1,692,284	1,450,528	1,208,772	967,016
FFCO 2017 - Banner	Street	3,395,000	142,752	2.92%	2026	2,514,073	2,365,959	2,212,542	2,053,633	1,889,226	1,718,740
FFCO 2016 - FURA	Street/PW/W/FURA	8,500,000	519,953	2.92%	2036	6,234,564	5,698,576	5,146,603	4,653,659	4,222,780	3,779,095
FFCO 2019 - Banner	FURA	3,150,000	127,968	3.50%	2040	2,519,096	2,386,870	2,250,245	2,109,073	1,963,204	1,812,482
Bank Tax Exempt FFCO 2019 - Banner Bank Taxable	FURA	150,000	150,000	5.30%	2024	-	-	-	-	-	-
FFCO 2023 - Banner Non-Taxable (7 YR)	Street/WW/PW	806,600	100,586	4.45%	2030	706,014	600,903	491,062	376,278	256,330	130,985
FFCO 2023 - Banner Taxable (7 YR)	Street/WW/PW	652,400	78,244	5.70%	2030	574,156	491,389	403,837	311,223	213,255	109,623
FFCO 2023 - Banner Series B Tax-Exempt (20 YR)	W/WW/SW/PW	6,475,000	59,134	4.55%	2043	6,270,792	6,057,187	5,833,752	5,600,036	5,355,564	5,099,842
FFCO 2023 - Banner Series D Taxable (20 YR)	Street/W/WW/SW	2,200,000	61,227	5.70%	2043	2,138,773	2,074,007	2,005,497	1,933,025	1,856,364	1,775,271
Total City Debt		42,382,317	1,725,147			25,284,844	23,506,808	21,674,810	19,847,360	18,036,113	16,154,171
Population	assumes 1% annual increase					9,832	9,930	10,030	10,130	10,231	10,334
Debt per capita						2,572	2,367	2,161	1,959	1,763	1,563



The City of Florence Finance Staff

Anne Baker, Administrative Services Director
Lezlea Purcell, Finance Manager
Vicki Soran, Accounting Clerk III
Phae Latta, Accounting Specialist I
Marissa Davis, Administrative Assistant I

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 9
Meeting Date: *March 18, 2024*
Department: *Community
Development*

ITEM TITLE: Rhody Express Ridership Survey

DISCUSSION/ISSUE:

Introduction: The City of Florence City Council included several transit related items in the 2023-2025 Biennium Work Plan adopted March of 2023. This agenda item summary is intended to orient the City Council to the efforts of the City’s Transportation Committee and Community Development Department to address the Work Plan Objective to perform a transit ridership survey with a goal to launch the ridership survey in April 2024.

Who: The Transportation Committee, established under [FCC 6-2](#), is an advisory committee to the City Council who collaborates to implement the City Council goals and work plan as they relate to the City’s Transportation systems. This committee is made up of 5-11 members, which include:

- | | |
|---|--------------------------------------|
| Storm Kurth, Chairperson | Gary Trevisan, Vice Chairperson |
| Joseph Cullivan, Committee Member | Chris Handley, Committee Member |
| Cheri Payne, Committee Member | Robert Carp, City Council Ex-Officio |
| Josh Haring, River Cities Taxi Ex-Officio | Kathleen Flynn, LTD Ex-Officio |

The Survey: The target survey audience are riders of the Rhody Express public transit service. The Transportation Committee meets monthly on the 3rd Tuesday of each month. At three of these meetings over the last year the Committee workshopped to develop a ridership survey. Their work included looking at a 2014 Rhody Express Ridership survey and a template provided from Link-Line (Lane Council of Governments). The 2014 Rhody Express Survey was chosen for the 2024 Rhody Express template for its ease of use to the riders. Questions were updated, revised and deleted based on Committee member input.

When: The survey is planned to launch either April 20th or 27th. This timing has been chosen because April and May tend to have higher ridership. Because of Rhody Days in May, April was selected to allow staff and volunteers to better focus on the survey launch. Transportation Committee member Cheri Payne has volunteered her time to be the project lead.

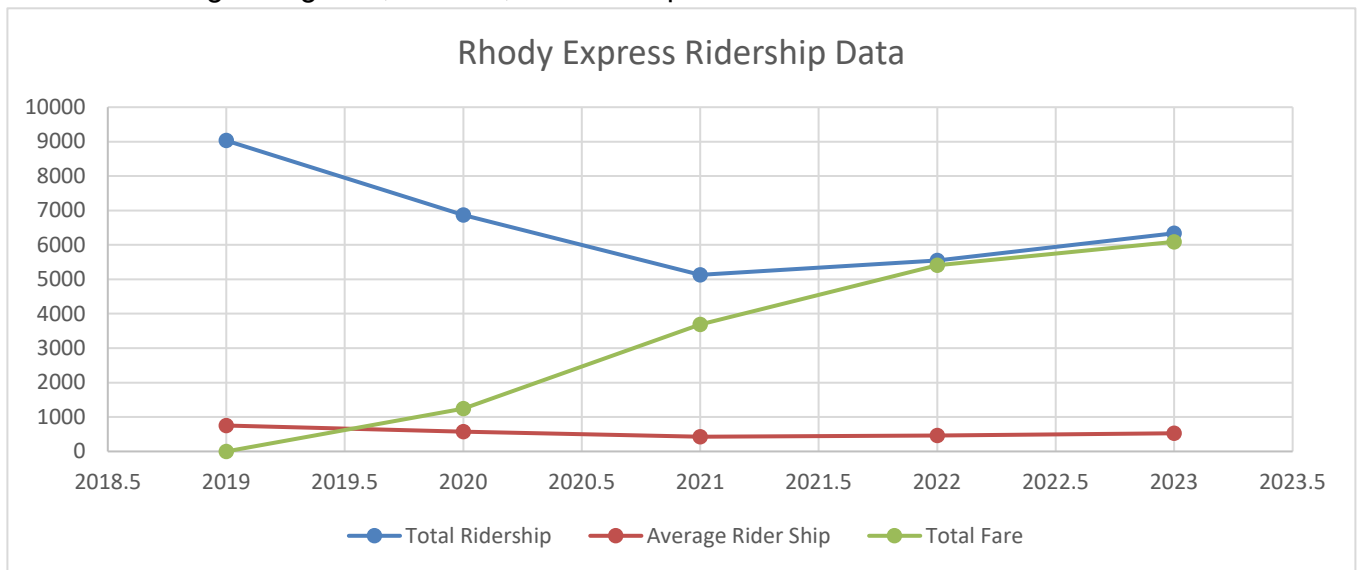
Where: Surveys will be available on the Rhody express and will be distributed to areas anticipated to have high ridership, such as the Siuslaw Public Library. Either City staff or a Transportation Committee member will ride the bus to assist and encourage riders to complete the survey.

Regional Transit: There are 3 other transit agencies that have scheduled stops in the City of Florence to provide regional connectivity. These include Coos County Area Transit, Link-Lane serving Eugene and Yachats, and Porter Stage Lines. These transit agencies are not included in this Ridership survey,

however ensuring connectivity to these services is important for regional connectivity and has been included as question 5 on the survey.

Why Now: The City has not held a Rhody Express Survey for several years and it is overdue. This effort will help inform how to address other transit related work plan items. This also comes at a time when significant changes are coming to the Rhody Express services, and this will capture public opinions with the service as it is now and allow for assessing impact of changes. Upcoming changes include increased service frequency, replacing up to 4 new bus shelters along the route, and the addition of a second Rhody express bus.

LTD / Rhody Express: Below is a graph indicating ridership counts and counted fare collected from 2019 through 2023. Additional details are provided in Attachment 1 that includes monthly ridership and fare data. The graph includes annual ridership (blue-top), average monthly ridership (red-bottom) and collected fees (green-middle). Data was not available for collected fare in all months in 2019 and 2020, reflecting low reporting for those two years. The ridership level has not recovered to the pre-pandemic figures. The Rhody Express costs a \$1 a trip or \$2 a day. The reported fares illustrate how the service is subsidized accommodating care givers, waivers, and Covid practices.



Rhody Express Ridership Data 2019-2023					
	2019	2020	2021	2022	2023
Total Ridership	9030	6867	5130	5544	6333
Average Ridership	752.5	572.25	427.5	462	528
Fare Reported	n/a	\$1247	\$3684	\$5412	\$6088.75

FISCAL IMPACT:

Fiscal impact related to this project include staff time preparing for and staffing Transportation Committee meetings, monthly coordination meetings with LTD to collaborate on efforts, and time collecting and analyzing survey data.

RELEVANCE TO ADOPTED CITY WORK PLAN:

Below is a list of the 2023-2025 Biennium Work Plan items related to public transit. The list includes nine Work Plan objectives and two Work Plan tasks. The fifth objective is “perform a transit ridership survey.” As mentioned above, this survey will serve to inform addressing several other objectives to improve user experience and increase ridership.

2023-2025 Work Plan Items: Transportation (pg. 27)**Transit Services**

- Objective* Support County and regional transportation planning efforts
 - Objective* Continue Promotion of regional transit service.
 - Objective* Continue efforts to increase public transit opportunities to Eugene and Coos Bay and support continuation of Yachats pilot program
 - Objective* Transit Stop Management.
 - Task* Explore grant opportunities to replace transit stops.
 - Task* Investigate safety and identify solutions for transit stop abuse.
 - Objective* Perform a Transit Ridership survey.**
 - Objective* Research and review City codes related to private transportation providers and revise to include medical transport elements
 - Objective* Research guidelines for a coordinated effort between private transportation providers and the City.
 - Objective* Research and adopt transit amenity design standards.
 - Objective* Support local transit promotion and improvements.
-

AIS PREPARED BY: Clare Kurth, Associate Planner

CITY MANAGER'S RECOMMENDATION: Approve Disapprove Other
Comments:

ERReynolds

ITEM'S ATTACHED: *List of items attached:*
Attachment 1 – Rhody Express Ridership and Fare Data 2019-2023
Attachment 2 – Rhody Express Ridership Survey 2024
Attachment 3 – Rhody Express 2014 Survey / Link Lane Survey template
Attachment 4 – Rhody Express Brochure

Items Available for Reference:

- [Link-Lane Transit Development Plan](#): Adopted Dec 21, 2023
-

-
- This plan includes valuable information on the Rhody Express and how it contributes to regional connectivity.
 - Pg. 18: Rhody Express overview
 - Pg. 25: Needs Summary
 - Pg. 28-30: Service Plan for Florence Connectors
 - Pg. 35-36: Facility improvements
 - <https://link-lane.org/tdp/>
-



FLORENCE PUBLIC TRANSIT



2023 Rhody Riders Data



	Riders	Fare
Lowest	412 / Dec	\$398 / Dec
Highest	666 / June	\$673 / Aug
Monthly Average	528	\$507
Total for 2023	6333	\$6,089

2022 Rhody Riders Data



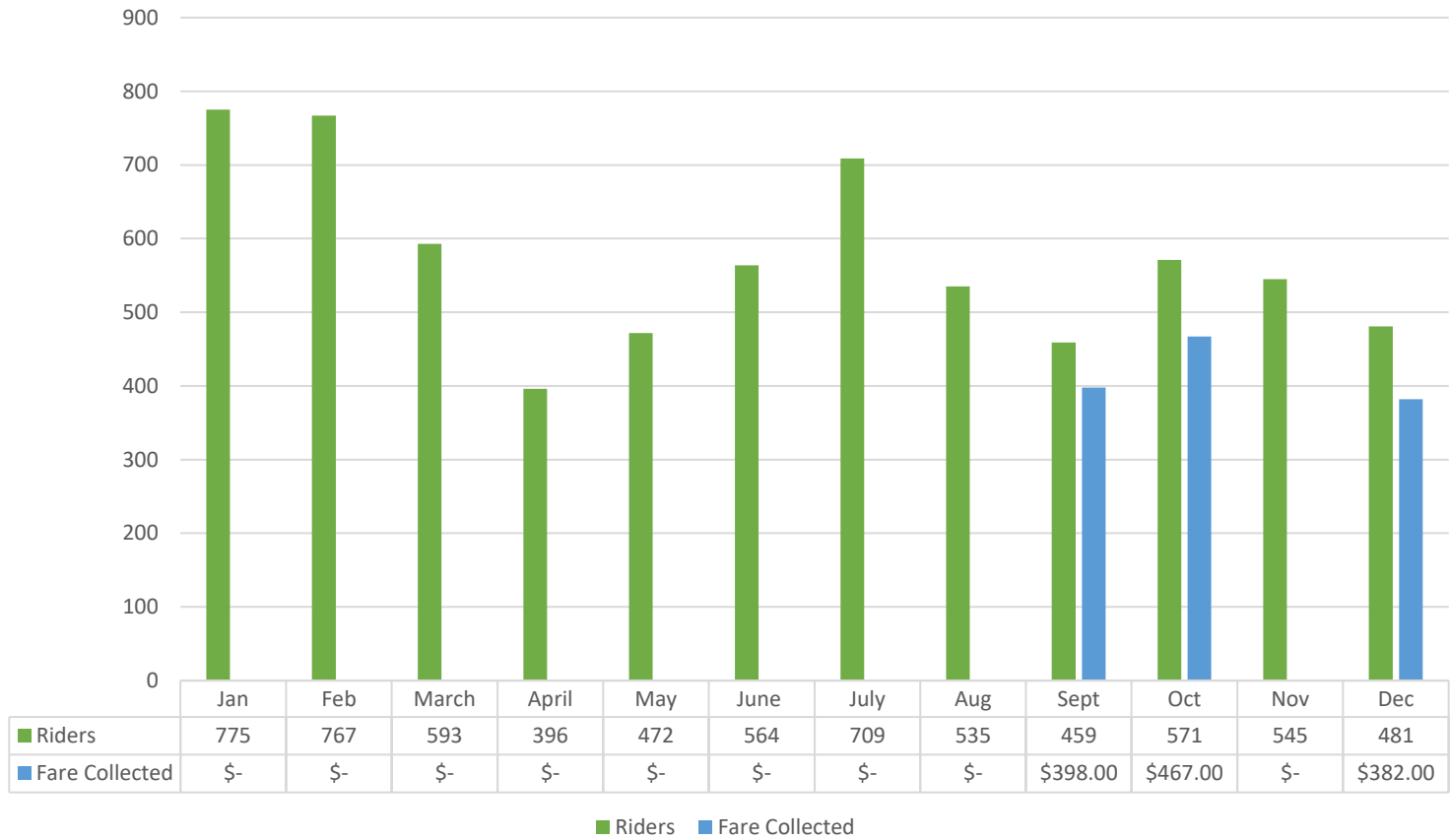
	Riders	Fare
Lowest	263 / May	\$288 / January
Highest	561 / December	\$578 / December
Monthly Average	462	\$451
Totals for 2022	5,544	\$5,412

2021 Rhody Riders Data



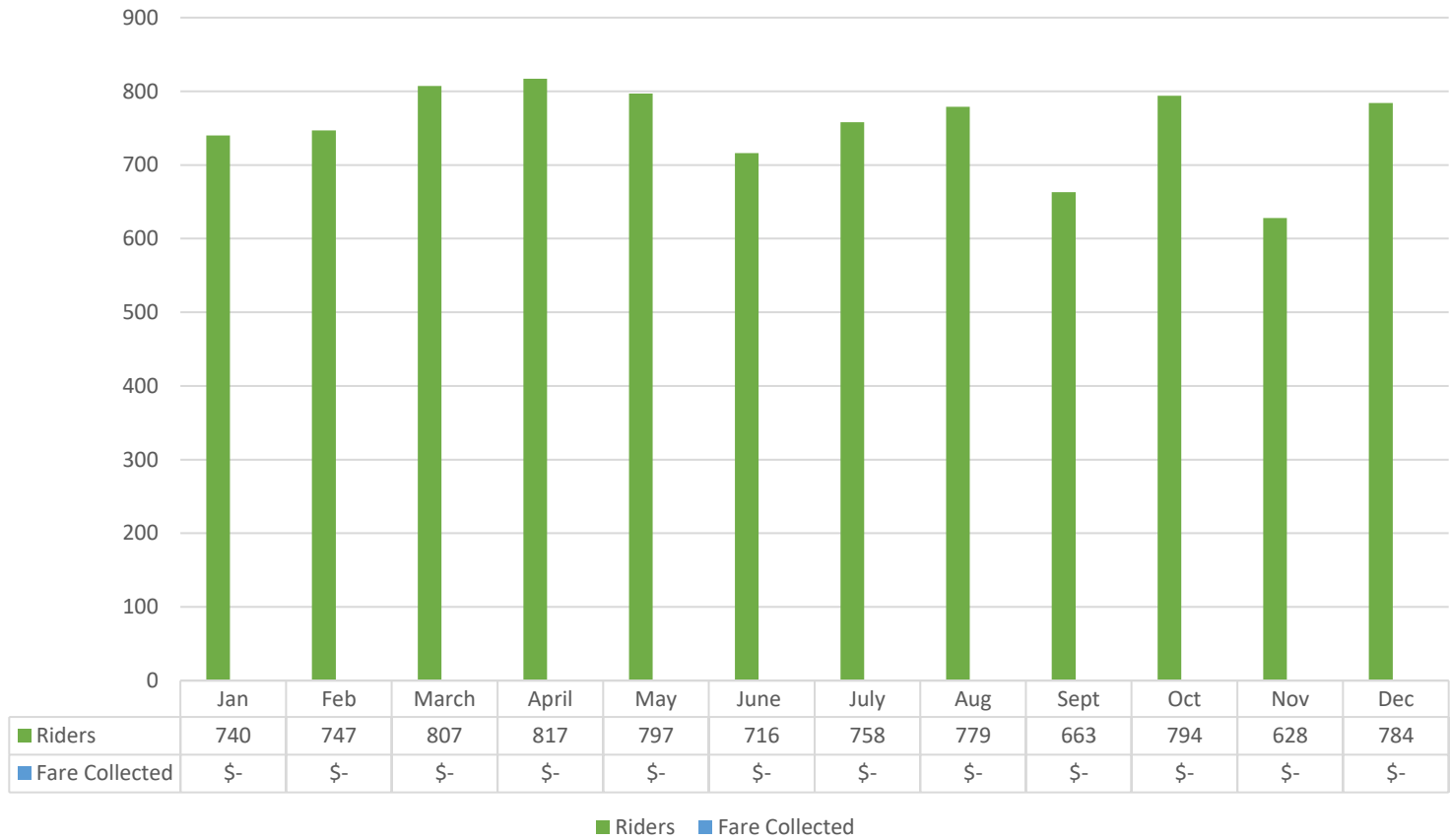
	Riders	Fare
Lowest	374 / December	\$328 / October
Highest	492 / April	\$509 / April
Monthly Average	427.5	\$409
Totals for 2021	5,130	\$3,684.00

2020 Rhody Riders Data



	Riders	Fare
Lowest	396 / April	\$382 / December
Highest	775 / January	\$467 / October
Monthly Average	572.25	\$415
Totals for 2020	6,867	\$1,247.00

2019 Rhody Riders Data



	Riders	Fare
Lowest	628 / November	n/a
Highest	817 / April	n/a
Monthly Average	752.5	n/a
Totals for 2021	9,030	n/a



Ridership Survey

1. How often do you ride the Rhody Express?

- 1 time or less per month One or two times a month
 About once a week More than once a week

2. How long have you been using Rhody Express?

- Less than 6 months 6 months to 1 year 1 year to 3 years
 3 years to 5 years 5 years or longer

3. What is your main purpose for riding the Rhody Express?

- Home Medical Services
 Shopping Work or Work Related
 Social, Recreational, Religious, etc. School or School Related
 Other: _____

4. What changes to Rhody Express service would make riding more convenient for you?
(Check up to 3)

- Earlier Morning Service More Frequent Weekday Service
 Later Evening Service Weekend Service
 More destinations/expanded route:
 Other _____

Where would you like the bus to go? _____

5. Are you using a connection service today? If so, which one?

- Link Lane – Eugene/Florence Connector Link Lane –Florence/Yachats Connector
 Coos CAT – Florence Express Other - _____

6. How would you rate the safety of Rhody Express and bus shelter/stop?

- Excellent Good Neutral Fair Poor

Comments/Suggestions: _____

Bus stop(s) or shelter(s) used: _____

7. How would you rate the quality of the current Rhody Express service?

- Excellent Good Neutral Fair Poor

Comments: _____

Please return survey to bus driver, City Hall, 250 Highway 101, Florence, OR 97439, or email to planningdepartment@ci.florence.or.us

Thank you. Citizen involvement is essential to improving the public transit services.



Ridership Survey

1. How often do you ride the Rhody Express?

- Rarely
- About once a week
- One or two times a month
- More than once a week

2. When did you start riding the Rhody Express?

- 2014
- 2013
- Before 2013

3. What is your main purpose for riding the Rhody Express?

- Home
- Shopping
- Social, Recreational, Religious, etc.
- Other: _____
- Medical Services
- Work or Work Related
- School or School Related

4. What changes to Rhody Express service would make riding more convenient for you?
(Check all that apply)

- Expanded hours in the morning
- Expanded hours in the evening
- More frequent service
- Weekend service
- More destinations/expanded route: Where would you like the bus to go?

- Other _____

5. How did you learn about the Rhody Express?

- Friend
- Newspaper
- Radio
- Poster or Brochure
- Other _____
- Bus Stop Sign

6. How would you rate the quality of the current Rhody Express service?
(One being the lowest and 10 being the highest)

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Please return survey to bus driver or to City Hall, 250 Highway 101, Florence, OR 97439.
Thank you. Citizen involvement is essential to improving the public transit services.

Rhody Express Transit Ridership Survey



If you have already completed this survey on this route, please do not take it again.

[Transit Agency] is conducting a survey of our customers to help plan for service improvements. Your input for this survey will help us evaluate how reliable our service is, and will help us adjust service schedules and features to better suit your needs. Please return your completed survey to the survey administrator on this bus. Thank you for your assistance!

Survey ID# _____

Date: ____/____/____

Route: _____

Time of day: _____

Where are you coming from?

Home

Shopping

Medical services

Work or work-related

University/college (student only)

High school/middle school (student only)

Social, recreational, religious, community, or personal business

Other: _____

How long have you been using Rhody Express?

Less than 1 month

1 month to 6 months

6 months to 1 year

1 year to 3 years

3 years to 5 years

More than 5 years

Satisfaction with existing service

How satisfied are you with the following service features?

	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
The time buses for this route stop running in the evening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The time buses for this route start running in the morning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The frequency of buses running along this route	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The wait time for this bus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The on-time reliability of this bus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where are you going?

Home

Shopping

Medical services

Work or work-related

University/college (student only)

High school/middle school (student only)

Social, recreational, religious, community, or personal business

Other: _____

What is the primary reason you chose public transit for your trip today?

Convenience

Saving money

Environmental benefits

Unable to drive

No personal vehicle available

I prefer taking public transit

Other: _____

Importance of Service Changes

How important are the following service changes?

	Very important	Fairly important	Important	Slightly important	Not important
Addition of weekend service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More frequent weekday service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Earlier morning service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Later evening service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional stop(s) (if so, where?)					
1. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional amenities (e.g., bike racks)					
Suggested amenities:					
1. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

On average, how often do you use the Rhody Express?

1 or more times per week

2-4 times per month

1 time per month

Once every few months

A few times per year

This is my first time on the bus

I have not ridden the bus before

The Americans with Disability Act defines a person with a disability as somebody who has a physical or mental impairment that substantially limits one or more major life activity. Based on this definition, are you a person with a disability?

- Yes
- No
- Prefer not to answer

What age are you?

- Under 18
- 18-24
- 25-44
- 45-64
- 65-84
- 85 or older
- Prefer not to answer

Are you traveling today with:

- Bicycle
- Luggage
- Friends/Family. If so, how many people are you traveling with? _____
- Prefer not to answer
- Backpack
- Service Animal
- Companion

Are you a resident of the area or a visitor?

- Resident
- Visitor

What is your home zip code?

If this bus service were not available, how would you have made this trip?

- Driven alone
- Carpooled with somebody else
- Gotten somebody to drive me to my destination
- Biked
- Walked/used personal mobility device
- Used a taxi or ride-hailing service (Uber, Lyft)
- I would not have been able to make this trip
- Other: _____

Are you connecting from another transit route today? Coos Bay, Eugene, Yachats, or other?

- Yes _____
- No

How did you hear about the Rhody Express?

- Friend/Family
- Rhody Express Brochure
- Community Event
- Internet Search
- Tourism Site (if so, which one): _____

- Social or Senior Services
- Other: _____

Are you currently:

- Active military or veteran of the Armed Forces
- University or College Student

How Would You Rate Safety

How would you rate the safety of the service?

Strongly agree Slightly agree Neutral Slightly disagree Strongly

The bus stop felt safe while waiting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The bus ride felt safe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The bus stop felt safe when exiting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional safety amenity suggestions					
1. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How would you rate the quality of service?

- Excellent
- Good
- Neutral
- Fair
- Poor

Comments: _____

How would you rate the professionalism of the driver:

- Excellent
- Good
- Neutral
- Fair
- Poor

Comments: _____



RHODY EXPRESS IS ACCESSIBLE

The Rhody Express vehicle is accessible to people who use mobility devices. The driver will assist with lift boarding and securement. Anyone can request the lift to help board the bus.

BUS BUDDIES ARE HERE TO HELP

If you need help learning how to use the bus or would like a buddy to ride with you the first few times, call the Rhody Express and ask for a Bus Buddy. These experienced riders are available and ready to help. **541-902-2067 or 7-1-1 (TTY – Oregon Relay).**

WHAT IF I CANNOT ACCESS THE BUS?

If you experience a disabling condition that prevents you from using the Rhody Express, you may qualify for the Rhody Dial-a-Ride, a service that can take you from point A to point B. You must live within three-quarters of a mile from the bus route and participate in an in-person eligibility assessment to access this service. **For more information, including eligibility questions, call the RideSource Call Center toll free at 1-877-800-9899 or 7-1-1 (TTY – Oregon Relay).**



WELCOME ABOARD

Welcome to the Rhody Express, your public transportation provider in Florence. We are here to help.

541-902-2067 or 7-1-1 (TTY – Oregon Relay)

SERVICE HOURS

Monday - Friday
10:00 a.m. - 6:00 p.m.

HOLIDAY SERVICE

The Rhody Express does not operate on New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day and Christmas Day.

FARES

\$1 for single trip
\$2 for day pass
\$20 for 20-Ride ticket book
Ticket books sold only at River Cities Taxi/
Rhody Express, 1699 Pine Street

HOW TO READ THE TIMETABLE

The Rhody Express route is divided into two loops – the North Loop and the South Loop. The timetable contains timepoints for major stops along the route. Locate the timepoint before the stop you where you want to catch the bus. Read down the column to find the time you want to travel, and wait at your stop at the time listed on the timetable. For example, if you are boarding between the stop at Grocery Outlet and the stop at the Dollar Tree, be sure to be at your stop at the time listed for the Grocery Outlet rather than the time listed for the Dollar Tree.

RHODY EXPRESS CAPACITY

The Rhody Express bus has capacity for 16 people seated facing forward. The front seats are designated for older adults and people with disabilities. A bike rack on the front bumper has capacity for two bicycles.



FLORENCE PUBLIC TRANSIT



Rhody Express



CIRCUNVALACIÓN NORTE (NORTH LOOP)

Salida	Salida	Llegada
Florence Food Share	Bi-Mart	Fred Meyer Grocery Outlet
8	9	10
10:38	10:45	10:58
11:38	11:45	11:58
12:38	12:45	12:58
1:38	1:45	1:58
2:38	2:45	2:58
3:38	3:45	3:58
4:38	4:45	4:58
5:38	5:45	5:58

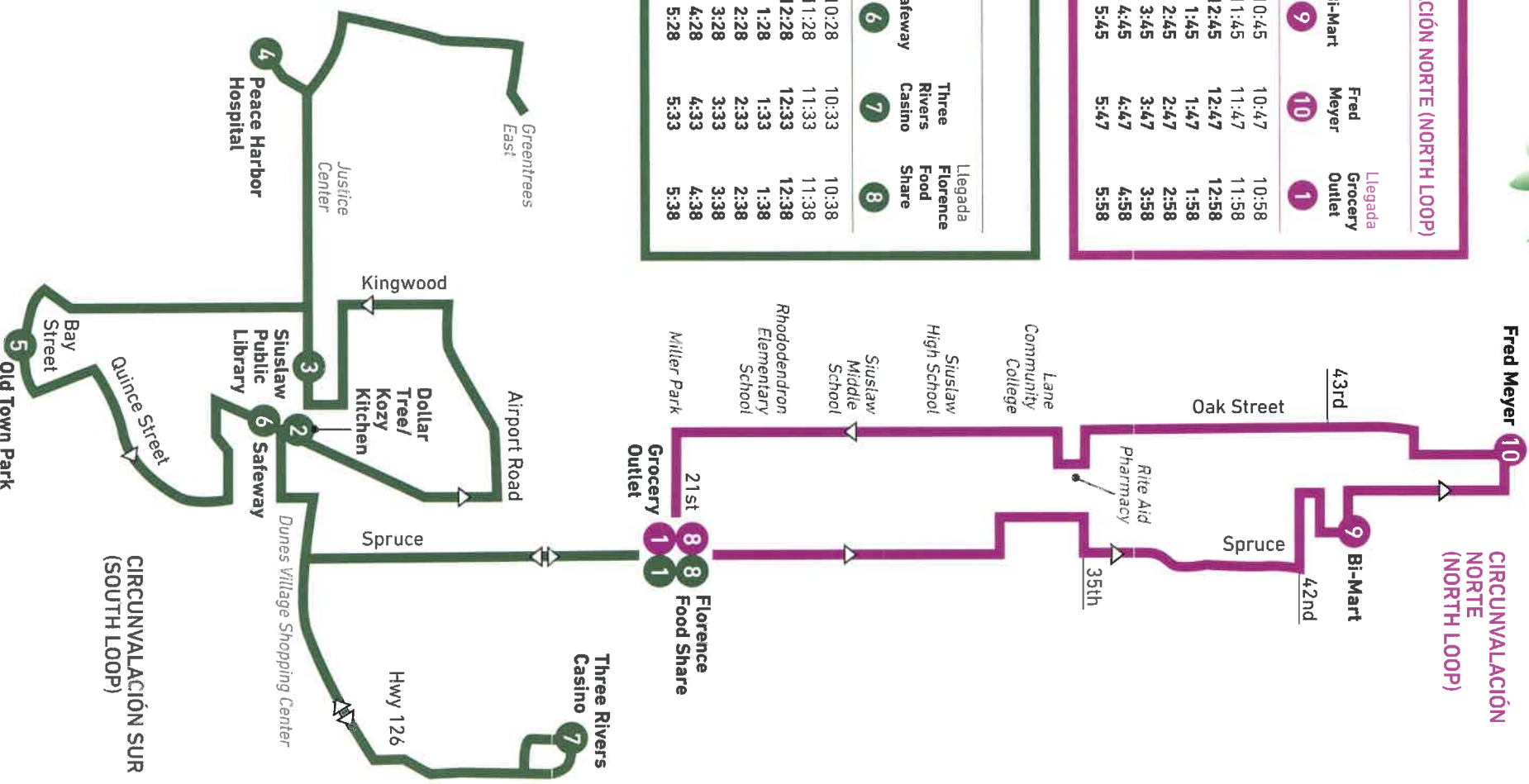
CIRCUNVALACIÓN SUR (SOUTH LOOP)

Salida Grocery Outlet	Dollar Tree/ Kozy Kitchen	Siuslaw Public Library	Peace Harbor Hospital	Old Town Park	Safeway	Three Rivers Casino	Llegada Florence Food Share
1	2	3	4	5	6	7	8
10:00	10:05	10:10	10:17	10:23	10:28	10:33	10:38
11:00	11:05	11:10	11:17	11:23	11:28	11:33	11:38
12:00	12:05	12:10	12:17	12:23	12:28	12:33	12:38
1:00	1:05	1:10	1:17	1:23	1:28	1:33	1:38
2:00	2:05	2:10	2:17	2:23	2:28	2:33	2:38
3:00	3:05	3:10	3:17	3:23	3:28	3:33	3:38
4:00	4:05	4:10	4:17	4:23	4:28	4:33	4:38
5:00	5:05	5:10	5:17	5:23	5:28	5:33	5:38

VIAJANDO DE SUR A NORTE

El Rhody Express opera en un circuito de 60 minutos, empezando su recorrido sobre la Circunvalación Sur (South Loop) y continuando sobre la Circunvalación Norte (North Loop).

Si su destino no está en la circunvalación (loop) que usted aborda, permanezca en el autobús porque cambiará de circunvalación y podrá llegar así a su destino.



CIRCUNVALACIÓN SUR (SOUTH LOOP)

EL RHODY EXPRESS ES ACCESIBLE

El autobús de Rhody Express es accesible para las personas en sillas de ruedas. El operador le asistirá con el ascensor para su silla y le ayudará a sujetarla de una manera segura. Cualquier persona puede solicitar el uso del ascensor para ayudarse a abordar el autobús.

LOS ACOMPAÑANTES DE AUTOBÚS ESTÁN AQUÍ PARA AYUDAR

Si usted necesita ayuda para aprender cómo usar el autobús o le gustaría contar con un acompañante en el autobús durante sus primeros viajes, por favor llame al Rhody Express y pregunte por un acompañante de autobús. Estas personas tienen mucha experiencia viajando en el autobús y están disponibles y listas para ayudarle. **541-902-2067 o al 7-1-1 (TTY – Oregon Relay).**

¿QUÉ PASA SI ME ES IMPOSIBLE ABORDAR EL AUTOBÚS?

Si usted tiene una discapacidad que le impide usar el Rhody Express, podría calificar para el Rhody Dial-a-Ride, un servicio que puede transportarle de un punto A a un punto B. Usted debe tener su residencia dentro de tres cuartos de milla de la parada del autobús, además de participar en una evaluación en persona para determinar si califica para este servicio.

Para más información, incluyendo preguntas sobre cómo calificar, llame al Centro de Llamadas de RideSource al número gratuito 1-877-800-9899 o al 7-1-1 (TTY – Oregon Relay).

CAPACIDAD DEL RHODY EXPRESS

El autobús del Rhody Express tiene la capacidad para 16 personas sentadas mirando hacia el frente. Los asientos delanteros están designados para los adultos mayores y para las personas con discapacidades. Un portabicicletas al frente del autobús tiene la capacidad para dos bicicletas.

BIENVENIDOS A BORDO

Bienvenidos al Rhody Express, su proveedor de transporte público en Florence. Estamos aquí para ayudarle **541-902-2067 o al 7-1-1 (TTY – Oregon Relay)**

HORARIOS DE SERVICIO

De Lunes a Viernes
10:00 a.m. – 6:00 p.m.

SERVICIO DURANTE DÍAS FESTIVOS

El Rhody Express no opera en Año Nuevo, Día de los Caídos (Memorial Day), 4 de Julio, Día del Trabajo (Labor Day) y en Navidad.

TARIFAS

\$1 por un viaje sencillo
\$2 por un pase diario
\$20 por un libro de 20 boletos
Los libros de boletos se venden solamente en River Cities Taxi/Rhody Express,
1699 Pine Street

CÓMO LEER LOS HORARIOS DE LOS AUTOBUSES (TIMETABLES)

La ruta del Rhody Express se divide en dos circunvalaciones (loops): la Circunvalación Norte (North Loop) y la Circunvalación Sur (South Loop). El horario de los autobuses contiene las paradas principales a lo largo de la ruta. Ubique la parada principal antes de la parada donde usted desea abordar el autobús. Lea hacia abajo de la columna para encontrar la hora en la que desea viajar, y espere en su parada a la hora indicada en el horario. Por ejemplo, si usted aborda entre la parada de Grocery Outlet y la parada de Dollar Tree, asegúrese de estar en su parada a la hora indicada para Grocery Outlet en lugar de la hora indicada para Dollar Tree.



Rhody Express 

TRANSPORTE PÚBLICO DE FLORENCE



AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 10
Meeting Date: March 18, 2024
Department: City Manager

ITEM TITLE: Department Director Updates

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 11
Meeting Date: March 18, 2024
Department: City Manager

ITEM TITLE: City Manager Report & Discussion Items

AGENDA ITEM SUMMARY
FLORENCE CITY COUNCIL

ITEM NO: 12
Meeting Date: March 18, 2024
Department: City Council

ITEM TITLE: City Council Reports & Discussion Items
