

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Avakian, Ferrioli, Kruse, Monnes Anderson, Brown
Nays:	0
Exc.:	0
Prepared By:	Marjorie Taylor, Administrator
Meeting Dates:	6/13

WHAT THE MEASURE DOES: Makes technical changes to the Public Contracting Code. Modifies provisions governing prevailing wage rates. Clarifies definition of “funds of a public agency.” Requires State Treasurer to report to advisory committee on loans to private entities. Specifies information to be included in the report. Declares emergency, effective July 1, 2007.

ISSUES DISCUSSED:

- Provisions of the amendment and support from stakeholders
- Real market value and fair market value
- Tools for urban renewal

EFFECT OF COMMITTEE AMENDMENT: Clarifies definition of “funds of a public agency.” Requires State Treasurer to report to advisory committee on loans to private entities. Specifies information to be included in the report.

BACKGROUND: Oregon’s Public Contracting Code (ORS chapters 279 A, B, and C) took effect on March 1, 2005 and are a complete revision of outdated public contracting laws. HB 2140C contains technical amendments suggested by the Department of Administrative Services and the Department of Justice to make the code operate more efficiently and streamline the public contracting process. It exempts certain entities from the Public Contracting Code and clarifies which projects and contracts of the Department of Fish and Wildlife, the Department of Aviation, the Department of Housing and Community Services, the Department of Corrections, and the Military Department are subject to Public Contracting Code. It also provides for emergency procurement of construction services that are not public improvements and permits a contracting agency or a state agency to identify pilot projects for which the agency intends to use an alternate contracting method.

HB 2140C also contains portions of House Bill 2944A relating to prevailing wage rates. HB 2944A was a product of an eight-month task force created to provide clearer rules for determining whether a public-private partnership project is subject to the prevailing wage. As incorporated into HB 2140C, it provides a mechanism to provide public agencies and other interested persons to determine whether a project is covered by the prevailing wage rate.

Oregon’s prevailing wage rate was established in 1959 and is modeled after the Federal Davis-Bacon Act. If a project is covered by the prevailing wage rate, workers must be paid the hourly wage, including fringe benefits paid in the locality to the majority of workers employed, on projects of similar character in the same trade or occupation. Currently, public works projects are generally covered by the prevailing wage rate if they are \$50,000 or more, are for construction, reconstruction, major renovation, or painting to serve the public interest and directly or indirectly use funds of a public agency.

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This summary has not been adopted or officially endorsed by action of the committee.