

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Ways and Means
Vote:	6 - 0 - 1
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
Nays:	0
Exc.:	Smith P.
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	4/11, 4/30

WHAT THE MEASURE DOES: Makes findings concerning the use of Oregon workers to perform services contracted for by state agencies. Requires state contracting agencies to award state contracts for services in accordance with procedures that promote the investment of state funds in jobs and the economy of Oregon and United States. Requires the proposer submitting proposal on state contract for services to disclose their personnel deployment plan and provides exceptions. Requires contracting agencies to give preferences to local proposers, state proposers and United States proposers. Requires the Department of Administrative Services to adopt rules. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Economic benefits of retaining Oregon-based jobs
- How the measure would affect the Reciprocal Preference Law (bids from Oregon-based firms to other states' public contracts)
- Level of the Department of Administrative Services' authority in setting universal state agency policies regarding public contracting
- How Portland-Vancouver economic region would be affected by the measure
- Interpretation of what types of contracts are covered and are exempt from the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: HB 3301 declares the importance of Oregon-based workers and businesses, as they not only pay taxes to the state but also help vitalize their community's economy through frequenting local businesses. Furthermore, cultivating jobs in the state helps reduce the number of people who have to apply for unemployment insurance benefits and public assistance programs.

The measure establishes a system for public agencies to solicit and award contracts to Oregon-based companies. Contract proposals must include additional information in such as the minimum number of the workers an employer will hire locally (the county where the contract will be performed and its adjacent counties) and in Oregon and whether the employer and/or its headquarters are based locally or in Oregon; proposals will be rejected if this information is not included unless disclosure conflicts with the conditions of a grant or a funding source; the agency's contract requirements cannot be satisfied with an Oregon-based company; conflicts with existing federal law, treaties, or regulations; the contract must by nature be satisfied within the state; or extraordinary circumstances that are in conflict with the agency's needs.

An agency must give first preference to a proposer that is owned or headquartered locally, unless the price of the proposal is more than 7.5 percent higher than competing proposals from businesses that are not owned or headquartered locally; give second preference to a proposer that is owned or headquartered in this state, unless the price of the proposal is more than five percent higher than competing proposals from businesses that are not owned or headquartered in this state; and give third preference to a proposer that is owned or headquartered in the United States, unless the price of the proposal is more than 2.5 percent higher than competing proposals from proposers that are not owned or headquartered in the United States.

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