

REVENUE: No revenue impact**FISCAL:** Fiscal statement issued

Action: Do Pass the A-Engrossed Measure**Vote:** 3 - 2 - 0**Yeas:** Bonamici, Monroe, Shields**Nays:** Boquist, George**Exc.:** 0**Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 5/11, 5/18

WHAT THE MEASURE DOES: Allows contracting agencies to pay up to 10 percent more for goods fabricated or processed or services performed entirely within the state, with the exception of specified public improvements and construction contracts. Allows contracting agencies to give further preference to bidder or proposer that resides or is headquartered in Oregon if more than one bidder or proposer qualifies for the 10 percent preference. Allows contracting agencies to set the preference higher than 10 percent if the agency finds good cause. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Does not mandate agencies to provide preferences
- Concern about reciprocity
- Potential impact on the cost of goods and services
- Economic principles

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 2763 (2009) allowed contracting agencies to pay up to 10 percent more than the lowest bidder for agricultural products produced and transported entirely within Oregon, as well as a higher percentage if the agency found and explained good cause for doing so in a written determination. House Bill 3000-A expands the preference to any goods fabricated or processed in the state and to services performed entirely within the state.