
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 12, 2013

Subject: HB 2667 Relating to public procurement
Work Session Recommendation

HB 2667 establishes the nine-member Task Force on Procuring through Small and Local Businesses charged with evaluating and recommending incentives to help induce contracting agencies to award public contracts to minority-owned, woman-owned or emerging small businesses. The taskforce is required to submit a report to an interim legislative assembly by September 1, 2014. The task force sunsets on January 1, 2015.

The measure previously had hearings in the House Committee on Consumer Protection and Government Efficiency on 2/28/2013, 3/21/2013, 3/26/2013, and 4/1/2013.

The original staff measure summary and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

Fiscal impact

The fiscal impact of this bill is minimal. The fiscal assumes that the Department of Administrative Services and the Department of Transportation will use existing staff and resources to support the work of the task force.

Recommendation

LFO recommends the measure be moved to the Full Committee.

Motion

Motion: Senator/Representative _____: I move HB 2667 to the Full Committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2667 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Paul Siebert
Date: 3/26/2013

Measure Description:

Creates Task Force on Procuring Through Small and Local Businesses.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Oregon Department of Transportation (ODOT),
Legislative Assembly

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 2667 A-Engrossed establishes the nine-member Task Force on Procuring through Small and Local Businesses charged with:

- Studying the extent to which contracting agencies award public contracts to minority-owned, woman-owned or emerging small businesses in Oregon.
- Evaluating the extent to which large procurements for goods and services could be feasibly broken into smaller procurements that would be within the capabilities and expertise of minority-owned, woman-owned or emerging small businesses.
- Investigating and recommending incentives to help induce contracting agencies to award public contracts to minority-owned, woman-owned or emerging small businesses.

The taskforce is required to submit a report to an interim legislative assembly by September 1, 2014. The task force sunsets on January 1, 2015. The bill contains an emergency clause, and takes effect on passage.

The Department of Administrative Services (DAS) is directed to provide staff support to the task force, and is required to pay for expense reimbursements. Members of the task force are entitled to reimbursements for travel and other expenses. The bill allows the task force to meet at times and places specified by the call of the chair or the majority of the voting members. This fiscal assumes that the fiscal impact of this bill is minimal, and that the Department of Administrative Services will use existing staff and resources to support the work of the task force

The Legislative Assembly, the Department of Administrative Services, and the Department of Transportation are required to appoint representatives to serve as members of the task force. Each of these entities anticipates reprioritizing duties and responsibilities of existing staff to allow participation on the task force.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	9 - 0 - 0
Yeas:	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Smith, Thatcher, Vega Pederson, Holvey
Nays:	0
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	2/28, 3/21, 3/26

WHAT THE MEASURE DOES: Creates Task Force on Procuring Through Small and Local Businesses. Specifies membership and procedural requirements. Directs Task Force to study public contract awards to certain businesses, including types of contracts awarded, and methods for promoting contract awards to such businesses. Requires that Task Force report findings such that impact of contracting practices on certain categories of businesses and individuals may be understood. Repeals Task Force January 1, 2015. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Barriers to public contracting opportunities for small businesses
- Areas of concern that the Task Force might explore
- Impact of economic downturn on small contractors
- Availability of audit results and other data on public contracting

EFFECT OF COMMITTEE AMENDMENT: Clarifies criteria for appointment of members. Removes requirement that Task Force evaluate whether procurement decision may be made based on greenhouse gas emissions. Requires that Task Force report findings such that impact of contracting practices on certain categories of businesses and individuals may be understood.

BACKGROUND: House Bill 2667 A creates the Task Force on Procuring Through Small and Local Businesses to study several aspects of public contracting. The Task Force is comprised of nine members: two members of the Senate; two members of the House of Representatives; three members who represent minority-owned, woman-owned, or emerging small businesses with the Senate President, the Speaker of the House, and the Governor each appointing one; and one employee each from the Department of Administrative Services (DAS) and the Department of Transportation. DAS is directed to provide staff support.

House Bill 2667 A directs the Task Force to investigate the awarding of public contracts and the types of contracts awarded to minority-owned, woman-owned, and emerging small businesses; to evaluate the extent to which large procurements for goods and services could be broken into smaller contracts to increase awards to small businesses; and to recommend incentives to help induce contracting agencies to award contracts to small businesses. The measure also directs the Task Force to report its findings in a manner that makes the impacts on certain categories of businesses and individuals understandable.

3/28/2013 4:10:00 PM

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