



Oregon

John A. Kitzhaber, M.D., Governor

Department of Transportation

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DATE: February 28, 2013

TO: House Committee on Consumer Protection and Government Efficiency

FROM: Clyde Saiki, Deputy Director
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SUBJECT: HB 2127

INTRODUCTION

House Bill 2127 requires contracting agencies to demonstrate contractors have provided health insurance to employees for two years prior to bidding on a public improvement contract. This bill would take effect on passage.

DISCUSSION

Federally funded projects must meet the requirements set forth in the Code of Federal Regulations (CFR). The CFR states that any prequalification requirement for contractors must be able to be met within the period between the bid advertisement date and the bid opening date (typically three weeks). The Federal Highway Administration (FHWA) has indicated that the two year requirement outlined in this bill does not fit within that stipulation and would therefore limit contractor competition. The CFR prohibits limiting competition among potential contractors on federally funded projects.

The Oregon Department of Transportation's highway projects are largely funded with federal funds. To be eligible to receive these funds, ODOT must comply with federal law.

SUMMARY

This bill would limit competition among potential contractors and therefore would put ODOT in conflict with FHWA requirements on federally funded projects.