

A-Engrossed
House Bill 2345

Ordered by the House April 1
Including House Amendments dated April 1

Sponsored by Representative READ (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes [*West Coast Critical Infrastructure Exchange*] **Oregon Innovation in Infrastructure Task Force**. Sunsets task force on June 30, [2015] **2014**.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to critical infrastructure development; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. The Legislative Assembly finds that:**

5 (1) **Adequate public infrastructure systems are essential to a vibrant economy. Oregon's**
6 **needs for many kinds of infrastructure development cannot be met using traditional devel-**
7 **opment and financing methods. To close an expected multibillion dollar investment gap for**
8 **the development of critical public infrastructure and to secure a sound and resilient econ-**
9 **omy, Oregon must attract innovation in design, financing and asset management.**

10 (2) **Some public infrastructure projects require expertise in identifying, procuring, nego-**
11 **tiating and implementing projects using a performance-based, life-cycle value method. To**
12 **properly utilize, manage and implement such a method and to ensure that the public interest**
13 **is protected through effective risk mitigation, Oregon must establish a center of expertise**
14 **that will allow this state to take advantage of opportunities for innovation, innovative fi-**
15 **ancing and regional infrastructure development while minimizing public risk and maximiz-**
16 **ing the value obtained for taxpayer dollars. The design and implementation of such a center**
17 **of expertise should draw from successful models that incorporate the flexibility and agility**
18 **necessary to succeed while preserving public transparency, accountability and exemplary**
19 **contracting attributes.**

20 (3) **To create an attractive marketplace that will draw high bidder quality and competi-**
21 **tion, the western states need to be established as a marketplace for innovative**
22 **infrastructure financing. This is best accomplished through regional collaboration to estab-**
23 **lish best practices, coordinate interstate projects, and increase visibility of regional projects.**

24 **SECTION 2. (1) The Oregon Innovation in Infrastructure Task Force is established, con-**
25 **sisting of 10 members appointed as follows:**

26 (a) **The President of the Senate shall appoint two members from among members of the**
27 **Senate.**

28 (b) **The Speaker of the House of Representatives shall appoint two members from among**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **members of the House of Representatives.**

2 **(c) The Governor shall appoint four members as follows:**

3 **(A) One member with experience in critical infrastructure development and maintenance;**

4 **(B) One member with experience in private capital investment opportunities and strate-**
5 **gies;**

6 **(C) One member with experience in managing public project development, delivery**
7 **methods and financing; and**

8 **(D) One member who has participated in regional discussions and collaborations regard-**
9 **ing west coast infrastructure status and needs.**

10 **(d) The Governor's Regional Solutions Director shall appoint one member who represents**
11 **the team members of the Regional Solutions Centers.**

12 **(e) The State Treasurer shall appoint one member who represents the State Treasurer.**

13 **(2) The task force shall make recommendations to the Legislative Assembly regarding:**

14 **(a) Participation in a west coast infrastructure exchange effort that partners with**
15 **innovators in other states and regions on the west coast to assess the status of existing**
16 **infrastructures and to establish a west coast marketplace for innovation in infrastructure**
17 **development, construction, financing and delivery of overall life-cycle value. The task force**
18 **shall seek innovative methods to develop and implement critical infrastructure projects, in-**
19 **cluding but not limited to projects involving energy transmission and efficiency, transporta-**
20 **tion, water storage capacity, municipal water systems and wastewater management. The**
21 **task force shall consider necessary financial, policy and other expertise from Oregon and**
22 **other jurisdictions and develop guidelines for parity of participation.**

23 **(b) Strategies for the creation, funding, function and governance of an Oregon public**
24 **corporation or other structure that will be a center of expertise to encourage and implement**
25 **innovative practices, including:**

26 **(A) Performance-based contracting;**

27 **(B) Procurement for highest life-cycle value;**

28 **(C) Negotiated risk transfer to private participants;**

29 **(D) Combination of public and private construction capital; and**

30 **(E) Grouping of projects for efficiency in design, construction, financing and mainte-**
31 **nance.**

32 **(c) Effective utilization of methods and tools that will obtain the best value from public**
33 **expenditures for public infrastructure by:**

34 **(A) Encouraging innovation in design, delivery, construction, and financing;**

35 **(B) Providing greater access to sources of capital not currently available for Oregon**
36 **projects;**

37 **(C) Transferring risks associated with the design, construction, financing, and long-term**
38 **performance of infrastructure to parties or entities that are best able to manage the risk**
39 **with economic efficiency;**

40 **(D) Ensuring competition;**

41 **(E) Combining similar projects for ease of financing and economies of scale;**

42 **(F) Providing for the long-term performance of infrastructure facilities through the use**
43 **of well-structured maintenance contracts that have scheduled costs and that reflect**
44 **exemplary contracting standards;**

45 **(G) Accelerating the delivery of projects; and**

1 (H) Preserving the economic, workforce, and community benefits of infrastructure
2 projects through the application of contracting and sustainability standards, and policies,
3 relating to prevailing wages, emerging small businesses, women and minorities.

4 (d) The responsibilities of the center of expertise, including but not limited to providing
5 services to enhance, improve and maintain critical infrastructure systems in Oregon and on
6 the west coast by:

7 (A) Bundling similar critical infrastructure projects;

8 (B) Creating performance-based partnerships to manage projects more efficiently;

9 (C) Collecting consistent, comprehensive and high quality data regarding existing
10 infrastructure systems and potential infrastructure enhancements and development;

11 (D) Collaborating with industry experts and innovators;

12 (E) Providing technical assistance to design and finance critical infrastructure projects;
13 and

14 (F) Creating and implementing new mechanisms and strategies for financing critical
15 infrastructure projects, including but not limited to attracting private investors that have
16 traditionally not invested in public infrastructure.

17 (e) A data platform that will help Oregon to identify, inventory and publicize potential
18 infrastructure projects, and to facilitate consultation among project sponsors and funding
19 program managers.

20 (3) A majority of the members of the task force constitutes a quorum for the transaction
21 of business.

22 (4) Official action by the task force requires the approval of a majority of the members
23 of the task force.

24 (5) The task force shall elect one of its members to serve as chairperson.

25 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-
26 ment to become immediately effective.

27 (7) The task force shall meet at times and places specified by the call of the chairperson
28 or of a majority of the members of the task force.

29 (8) The task force may adopt rules necessary for the operation of the task force.

30 (9) The task force shall submit a report in the manner provided by ORS 192.245, and shall
31 include in the report the task force's recommendations required under subsection (2) of this
32 section, to the interim committees of the Legislative Assembly related to infrastructure and
33 business development, as appropriate, no later than October 1, 2013.

34 (10)(a) The State Treasurer and the Oregon Department of Administrative Services shall
35 provide staff support to the task force.

36 (b) The department shall facilitate, manage and direct consultation among state agencies
37 with respect to infrastructure needs and funding.

38 (11) Members of the task force who are not members of the Legislative Assembly are not
39 entitled to compensation, but may be reimbursed for actual and necessary travel and other
40 expenses incurred by them in the performance of their official duties in the manner and
41 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions
42 of the task force shall be paid out of funds appropriated to the Oregon Department of Ad-
43 ministrative Services for purposes of the task force.

44 (12) All agencies of state government, as defined in ORS 174.111, are directed to assist
45 the task force in the performance of its duties and, to the extent permitted by laws relating

1 to confidentiality, to furnish such information and advice as the members of the task force
2 consider necessary to perform their duties.

3 **SECTION 3.** Section 2 of this 2013 Act is repealed on June 30, 2014.

4 **SECTION 4.** This 2013 Act being necessary for the immediate preservation of the public
5 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
6 on its passage.

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