

# Senate Bill 782

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

## 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 **as introduced**.

Requires state contracting agency that awards public improvement contract with contract price of more than \$5 million to set goal for apprentices to perform certain percentage, not to exceed 10 percent, of work hours on public improvement that workers in apprenticeable occupations perform. Provides that state contracting agency shall pay contractor for imputed costs contractor incurs in complying with requirement.

Specifies reporting requirements for contractor and requires contractor to repay amounts that state contracting agency pays in excess of amount due contractor.

Becomes operative January 1, 2014.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to incentives for increasing apprentice utilization on public improvements for state con-  
3 tracting agencies; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 279C.**

6 **SECTION 2. (1) As used in this section:**

7 (a) "Apprentice" has the meaning given that term in ORS 660.010.

8 (b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

9 (c) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.

10 (d) "Apprenticeship training program" means the total system of apprenticeship that a  
11 particular local joint committee, as defined in ORS 660.010, operates, including the local joint  
12 committee's registered standards and all other terms and conditions for qualifying, recruit-  
13 ing, selecting, employing and training apprentices in an apprenticeable occupation.

14 (2) A state contracting agency shall:

15 (a) Specify in each public improvement contract for which the contract price exceeds \$5  
16 million a goal for the contractor to meet in employing apprentices for work on the public  
17 improvement. The goal may not exceed 10 percent of the work hours that workers in  
18 apprenticeable occupations perform on the public improvement. In setting the goal, the  
19 state contracting agency shall consider, and shall adjust the goal to take account of, the type  
20 of work the contractor will perform, the location of the public improvement and the contract  
21 price for the public improvement contract.

22 (b) Provide in the public improvement contract that, subject to subsection (4) of this  
23 section, the state contracting agency will pay the contractor at a rate of \$20 per hour for  
24 imputed costs the contractor incurs in having apprentices perform work on the public im-  
25 provement.

26 (3) A contractor or subcontractor shall pay an apprentice for work on the public im-  
27 provement at the hourly rate to which the apprentice is entitled under an apprenticeship

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 agreement or that the apprenticeship training program specifies.

2 (4) A state contracting agency shall provide in the public improvement contract that the  
3 state contracting agency will pay a contractor at the rate specified in subsection (2)(b) of this  
4 section for the total number of work hours that apprentices perform on a public improve-  
5 ment, up to the maximum amount that the state contracting agency specifies as the goal in  
6 the public improvement contract.

7 (5) Subject to the terms of the public improvement contract, a contractor on a public  
8 improvement may decide the locations in which, the types of work for which and other de-  
9 tails concerning how the contractor employs apprentices for work on the public improve-  
10 ment. The contractor may meet the goal that a state contracting agency sets under  
11 subsection (2)(a) of this section by requiring a subcontractor to employ apprentices for work  
12 on the public improvement.

13 (6) A contractor shall report the extent of the contractor's compliance with this section  
14 to the state contracting agency on forms, with contents the state contracting agency speci-  
15 fies by rule, and at regular intervals that the state contracting agency specifies in the public  
16 improvement contract. The forms and the contents that the state contracting agency speci-  
17 fies must include, at a minimum, a report in which the contractor provides a detailed ac-  
18 counting of the total number of work hours each month and the cumulative total number  
19 of work hours since the public improvement contract term began in which:

20 (a) Workers in apprenticeable occupations performed work on the public improvement;  
21 and

22 (b) Apprentices performed work on the public improvement.

23 (7) Subject to subsection (8) of this section, a state contracting agency may pay a con-  
24 tractor for the contractor's imputed costs in complying with the requirement in subsection  
25 (2)(a) of this section in regular installments or periodically during the term of the public  
26 improvement contract if the contractor requests regular installment payments or periodic  
27 payments.

28 (8)(a) At least 30 days before making any final payment to a contractor under a public  
29 improvement contract, a state contracting agency shall determine the extent of the  
30 contractor's compliance with the requirement in subsection (2)(a) of this section. The state  
31 contracting agency shall base the determination on the ratio between the actual number of  
32 work hours that workers in apprenticeable occupations performed on the public improvement  
33 and the actual number of work hours that apprentices performed on the public improvement,  
34 as shown in reports the state contracting agency receives under subsection (6) of this sec-  
35 tion.

36 (b) The state contracting agency, in accordance with the limitations set forth in sub-  
37 section (4) of this section, shall pay the contractor at the rate specified for the contractor's  
38 imputed costs in subsection (2)(b) of this section only for work hours that apprentices per-  
39 formed on the public improvement.

40 (c) If the state contracting agency pays the contractor for the contractor's imputed costs  
41 of complying with the requirement in subsection (2)(a) of this section in regular installments  
42 or at periodic intervals, the state contracting agency shall make the determination required  
43 under paragraph (a) of this subsection before each scheduled payment of the imputed costs  
44 and shall pay the contractor at the rate specified for the contractor's imputed costs in sub-  
45 section (2)(b) of this section only for work hours that apprentices performed on the public

1 **improvement in the interval since the previous scheduled payment.**

2 **(d) If a state contracting agency previously paid a contractor an amount that exceeds the**  
 3 **amount due the contractor under paragraph (b) or (c) of this subsection, the state con-**  
 4 **tracting agency shall notify the contractor immediately and require the contractor to repay**  
 5 **the excess amount within 30 days after receiving the notice.**

6 **(9) A state contracting agency by rule shall specify a procedure under which a contractor**  
 7 **may dispute the goal that the state contracting agency sets under subsection (2)(a) of this**  
 8 **section or the state contracting agency’s determination under subsection (8)(a) of this sec-**  
 9 **tion.**

10 **SECTION 3. Section 2 of this 2013 Act applies to public improvement contracts that a**  
 11 **state contracting agency first advertises or otherwise solicits or, if the state contracting**  
 12 **agency does not advertise or solicit the public improvement contract, to public improvement**  
 13 **contracts that the state contracting agency enters into on or after the operative date spec-**  
 14 **ified in section 4 (1) of this 2013 Act.**

15 **SECTION 4. (1) Section 2 of this 2013 Act becomes operative January 1, 2014.**

16 **(2) The Attorney General, the Director of the Oregon Department of Administrative**  
 17 **Services, the Director of Transportation or a state contracting agency that adopts rules**  
 18 **under ORS 279A.065 may take any action before the operative date specified in subsection (1)**  
 19 **of this section that is necessary to enable the Attorney General, the director or the state**  
 20 **contracting agency to exercise, on and after the operative date specified in subsection (1) of**  
 21 **this section, all of the duties, functions and powers conferred on the Attorney General, the**  
 22 **director or the state contracting agency by section 2 of this 2013 Act.**

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

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