

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

House Committee on Consumer Protection and Government Effectiveness

REVENUE: No revenue impact**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Wendy Simons, Administrator**Meeting Dates:** 2/24

WHAT THE MEASURE DOES: Requires contracting agencies provide as material condition of public contract that contractor remain certified as disadvantaged, minority, women or emerging small business enterprise during entire term of contract if contract was awarded on basis of contractor's certification. Requires contractors include similar provision in subcontracts. Requires contracting agency to verify certification status of contractor during entire term of contract and investigate violations against fraudulently obtained certification. Requires Oregon Business Development Department (OBDD) by rule to establish program for investigating and verifying certification status of contractors and permits department to charge contracting agency for cost. Becomes operative January 1, 2016. Declares emergency, effective upon passage.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

Proposed -6 amendment: Deletes requirement that contracting agency or contractor verify compliance of contractor or subcontractor by obtaining documentation from OBDD and continuing to contact OBDD on quarterly basis. Requires contractor to terminate contract with subcontractor if contractor determines that subcontractor is no longer certified. Makes exception for emerging small businesses that no longer qualify because of growth in employees or gross receipts. Deletes requirement for OBDD to develop by rule program for investigating and verifying that person obtaining public contract on basis of certification as disadvantaged, minority, women or emerging small business enterprise remain certified during entire term of contract.

BACKGROUND: The Oregon Business Development Department, also known as Business Oregon, certifies businesses who meet the criteria for the Disadvantaged Business Enterprise (DBE), Minority/Women Business Enterprise (MWBE) and Emerging Small Business (ESB) certifications. Businesses meeting these certifications are eligible for certain contracting opportunities with federal, state, county and city governments and special jurisdictions.