

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:**

WHAT THE MEASURE DOES: Requires contracting agency to conduct study on how potential procurement will affect local area in which work connected to procurement will occur. Requires contracting agency to provide to employees or employees' certified representative results of cost analysis and opportunity to provide alternative cost analysis, and requires agency to consider employees' cost analysis. Requires contracting agency to demonstrate procurement will result in at least 10 percent cost savings compared to using agency's personnel and resources. Requires contractor on public contract to pay employees equivalent wages and benefits to those agency's employees would receive. Becomes operative January 1, 2016. Declares emergency, effective upon passage.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:** No amendments.

BACKGROUND: Under current Oregon law, a public agency must conduct a cost analysis and demonstrate that it would incur less cost by procuring services than by performing the services using the agency's own personnel and resources. Contractors are required to pay promptly all people supplying labor or materials for the purpose of the work under the contract, and to pay all contributions due to the Industrial Accident Fund in connection with the work the contractor performs under the contract.

Under House Bill 3322, a contracting agency must demonstrate that procuring services would result in a cost savings of at least 10 percent compared to using the agency's personnel and resources to perform the work. The bill also requires a contracting agency to provide its cost analysis to employees or their representative, and to give employees the opportunity to provide an alternative cost analysis which the agency must consider on the same basis as its own cost analysis. House Bill 3322 requires that contractors pay its employees performing work under the contract a wage equivalent to the lesser of the average local wage paid for substantially similar work and the wage public employees would receive for substantially similar work. Contractors must also provide health insurance and benefits comparable to those received by public employees, or supplement employees' wages to enable them to purchase health insurance and benefits comparable to those received by public employees.