

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

House Committee on Consumer Protection and Government Effectiveness

**REVENUE: No revenue impact****FISCAL: Minimal fiscal impact, no statement 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 suspend the right to submit a bid or proposal for disadvantaged, minority, women, or emerging small business (DMWESB) enterprise that exhibits pattern of failing to perform a commercially useful function. Extends maximum possible length of suspension for violations. Requires Oregon Business Development Department (OBDD) to revoke certification for DMWESB enterprises after performing investigation under certain conditions. Requires contracting agency to notify OBDD when investigating contractor for failing to perform a commercially useful function. Allows OBDD to conduct independent investigation in response to notification. Becomes operative January 1, 2016. Declares emergency, effective on passage.

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

**BACKGROUND:** The Oregon Business Development Department (OBDD) certifies disadvantaged, minority, women, or emerging small business enterprises (DMWESBs) in order to grant them access to certain benefits. Under current law, OBDD is required to suspend certification of a DMWESB that enters into an improper agreement, allows the personnel of a non-certified business to operate or control the DMWESB, or fails to perform a commercially useful function.

Senate Bill 584-A requires a public contracting agency to suspend the right to submit bids or proposals on future projects for DMWESBs that fail to perform a commercially useful function in public contracts with that agency. The bill adds a requirement for contracting agencies to notify OBDD when investigating a DMWESB for failing to perform a commercially useful function, and allows OBDD to conduct its own investigation in response when it receives notification from one or more contracting agencies.