

**A-Engrossed**  
**House Bill 3248**

Ordered by the House April 24  
Including House Amendments dated April 24

Sponsored by COMMITTEE ON CONSUMER PROTECTION AND GOVERNMENT EFFECTIVENESS

**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.

*[Requires qualified nonprofit agency for individuals with disabilities to pay prevailing rate of wage that Commissioner of Bureau of Labor and Industries determines and to comply with other applicable provisions of state labor standards.]*

*[Provides that commissioner may enforce rates of wage and labor and occupational health and safety standards for qualified nonprofit agencies for individuals with disabilities. Requires Director of Oregon Department of Administrative Services to remove from procurement list qualified nonprofit agency for individuals with disabilities that violates wage, labor and occupational health and safety standards more than three times in calendar year.]*

Requires public agency that terminates contract with qualified nonprofit agency for individuals with disabilities *[and enters into]* **to provide in new contract with second qualified nonprofit agency for individuals with disabilities [to] that second qualified nonprofit agency for individuals with disabilities must, for period of 90 days after date of new contract,** offer employment to individuals with disabilities who performed work under contract that public agency terminated.

*[Requires public agency that contracts with qualified nonprofit agency for individuals with disabilities to pay fee to commissioner. Creates QRF Labor Standards Enforcement Account within State Treasury.]*

Permits public agency to procure products and services from source other than qualified nonprofit agency for individuals with disabilities under specified circumstances. Permits public agency **that may choose to procure products and services from more than one qualified nonprofit agency for individuals with disabilities** to grant preference to **that** qualified nonprofit agency for individuals with disabilities that *[makes certain demonstrations]* **best demonstrates compliance with local ordinances and resolutions that govern labor standards and provides certain other benefits.**

Becomes operative January 1, 2016.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to qualified nonprofit agencies for individuals with disabilities; creating new provisions;  
3 amending ORS 279.850; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 279.835 to**  
6 **279.855.**

7 **SECTION 2. If a public agency terminates a contract for services with a qualified**  
8 **nonprofit agency for individuals with disabilities, or if the contract for services expires, and**  
9 **the public agency enters into a new contract for services with a second qualified nonprofit**  
10 **agency for individuals with disabilities, the public agency shall provide in the new contract**  
11 **that the second qualified nonprofit agency for individuals with disabilities must, during a**  
12 **period that ends 90 days after the date on which the public agency enters into the new con-**  
13 **tract, offer employment to the individuals with disabilities who performed work under the**  
14 **expired or terminated contract on terms that are as favorable to the individuals with disa-**

**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 bilities as, or more favorable to the individuals with disabilities than, the terms of employ-  
2 ment that the individuals with disabilities had under the expired or terminated contract. The  
3 second qualified nonprofit agency for individuals with disabilities may require an individual  
4 with a disability whom the second qualified nonprofit agency for individuals hires under the  
5 circumstances described in this section to undergo the hiring procedures and demonstrate  
6 during a probationary period the qualifications that the second qualified nonprofit agency for  
7 individuals with disabilities establishes for new hires.

8 **SECTION 3.** ORS 279.850 is amended to read:

9 279.850. (1)(a) **Except as provided in paragraph (b) of this subsection and subject to para-**  
10 **graph (c) of this subsection, [If any] a public agency that intends to procure [any] a product or**  
11 **service on the procurement list that the Oregon Department of Administrative Services es-**  
12 **tablished under ORS 279.845[, that public agency] shall, in accordance with the department's rules**  
13 **[of the Oregon Department of Administrative Services], procure [such] the product or service[,] at the**  
14 **price [established by] the department establishes[,] from a qualified nonprofit agency for individuals**  
15 **with disabilities, provided that the product or service is of the appropriate specifications and is**  
16 **available within the period [required by that] the public agency requires.**

17 **(b) A public agency may procure a product or service that is on the procurement list**  
18 **described in paragraph (a) of this subsection from a person other than a qualified nonprofit**  
19 **agency for individuals with disabilities if:**

20 **(A) All of the qualified nonprofit agencies for individuals with disabilities on the pro-**  
21 **urement list that applies to the public agency have a record in the previous three years of**  
22 **repeatedly violating, or are not now in compliance with, applicable local ordinances or re-**  
23 **solutions that govern labor standards; and**

24 **(B) The person, for a period of 90 days after the person enters into an agreement with**  
25 **the public agency, offers to employ the employees of a qualified nonprofit agency for indi-**  
26 **viduals with disabilities from which the public agency would have procured the product or**  
27 **service but for the failure of the qualified nonprofit agency for individuals with disabilities**  
28 **to comply with an applicable local ordinance or resolution that governs labor standards.**

29 **(c) If a public agency may choose to procure a product or service from more than one**  
30 **qualified nonprofit agency for individuals with disabilities, the public agency may give a**  
31 **preference to the qualified nonprofit agency for individuals with disabilities that best dem-**  
32 **onstrates that the qualified nonprofit agency for individuals with disabilities:**

33 **(A) Complies with all applicable local ordinances and resolutions that govern labor stan-**  
34 **dards; and**

35 **(B) Provides wages, health care benefits, alternative dispute resolution services and**  
36 **pension or other retirement arrangements that, in the aggregate, are better than the aver-**  
37 **age package of wages, health care benefits, alternative dispute resolution services and pen-**  
38 **sion or other retirement arrangements that private employers provide to employees that**  
39 **perform the same or similar job duties:**

40 **(i) In the same industry in which the qualified nonprofit agency for individuals with dis-**  
41 **abilities engages; and**

42 **(ii) In the county in which the qualified nonprofit agency for individuals with disabilities**  
43 **will deliver the product or perform the service.**

44 **(2)(a) A public agency may require in any agreement with a qualified nonprofit agency**  
45 **for individuals with disabilities under ORS 279.835 to 279.855 that the qualified nonprofit**

1 **agency for individuals with disabilities comply with applicable local ordinances or resolutions**  
2 **that govern labor standards.**

3 **(b) A public agency may disqualify a qualified nonprofit agency for individuals with disa-**  
4 **bilities from entering into an agreement with the public agency under ORS 279.835 to 279.855**  
5 **for a period of three years if the public agency:**

6 **(A) Determines that the qualified nonprofit agency for individuals with disabilities re-**  
7 **peatedly violated local ordinances or resolutions that govern labor standards during the term**  
8 **of an agreement with the public agency under ORS 279.835 to 279.855; or**

9 **(B) Finds that the qualified nonprofit agency for individuals with disabilities has a record**  
10 **in the previous three years of repeatedly violating applicable local ordinances or resolutions**  
11 **that govern labor standards.**

12 [(2)] **(3) In furthering the purposes of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335, [it is**  
13 **the intent of] the Legislative Assembly intends [that there be close cooperation between] that the**  
14 **department, public [contracting] agencies and qualified nonprofit agencies for individuals with disa-**  
15 **bilities cooperate closely. The department on behalf of public [contracting] agencies and qualified**  
16 **nonprofit agencies for individuals with disabilities [is authorized to] may enter into [such] contrac-**  
17 **tual agreements, cooperative working relationships or other arrangements [as may be determined to**  
18 **be] that are necessary [for effective coordination and efficient realization of] to effectively coordi-**  
19 **nate and efficiently realize the objectives of ORS 279.835 to 279.855, 279A.025 (4) and 279C.335 and**  
20 **any other law [requiring] that governs a procurement of products or services.**

21 **SECTION 4. Section 2 of this 2015 Act and the amendments to ORS 279.850 by section 3**  
22 **of this 2015 Act apply to contracts into which a public agency enters on or after the operative**  
23 **date specified in section 5 of this 2015 Act.**

24 **SECTION 5. (1) Section 2 of this 2015 Act and the amendments to ORS 279.850 by section**  
25 **3 of this 2015 Act become operative January 1, 2016.**

26 **(2) The Director of the Oregon Department of Administrative Services may adopt rules**  
27 **and take any other action before the operative date specified in subsection (1) of this section**  
28 **that is necessary to enable the director, on and after the operative date specified in sub-**  
29 **section (1) of this section, to exercise all of the duties, functions and powers conferred on**  
30 **the director by section 2 of this 2015 Act and the amendments to ORS 279.850 by section 3**  
31 **of this 2015 Act.**

32 **SECTION 6. This 2015 Act being necessary for the immediate preservation of the public**  
33 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
34 **on its passage.**