



CITY OF GRESHAM

Concerns with HB 4065

House Bill 4065, as drafted, would increase the burden on local governments related to contractor selection for public project. The -1 amendments apply the measure only to state agencies. The City of Gresham has the following concern with HB 4065 as drafted, but is neutral on the measure if the -1 amendments are adopted.

- Cities are already required to check with the Bureau of Labor and Industries to see if a contractor is eligible, and with the Construction Contractor Board to see if it is licensed. Checking a contractor's financial disposition with state agencies would be an additional burden on local government's already complicated contracting processes.
- The State would be required to ensure the information is accurate and timely, but has no current mechanism to do so (provisions in the bill would only update the list once a year), meaning that contractors could pay their debts and be current with the state, but still appear on the list available to local government. Even more concerning, the bill does not contain any "hold harmless" language if this scenario occurs. If contracting agencies are required to check a state database, but the database is not accurate, the requirement to check the database could open contracting agencies up to challenges from contractors. There is substantial liability in the current contracting process, and increasing these risks could be financially costly, and further delay public projects.
- Requiring contracting agencies to pay the state prior to the contract issuance, or local governments paying the past-due amounts directly are both problematic, could delay projects, and could cause contractors to lack sufficient funding to complete the projects appropriately once they are awarded the contract and have paid the state.
- An easy way to avoid the scenario above would be to allow contracting agencies to not award the contract if a contractor is on the list or is unable to become current on debts owed to the state. Unfortunately, HB 4065 provides no such avenue.
- If required to collect debts on the state's behalf, contracting agencies should receive some sort of remuneration for the additional effort and staff time.