

SB 294 -3 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 3/8, 4/5

WHAT THE MEASURE DOES:

Permits employee of state agencies or representatives of state employee's bargaining units to seek judicial review of a contracting agency's cost analysis in certain circumstances. Establishes jurisdiction of judicial review. Requires contracting agency to halt procurement while under review except when compelling interest or emergency is expressed in writing and supported by substantial evidence. Outlines judicial authority during review. Prohibits award of costs or attorney fees. Provides additional steps to procurement process. Creates effective date of 91 days after *sine die*.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Replaces bill. Narrows scope of applicability to school districts and education service districts (ESDs). Replaces judicial writ of review process with labor arbitration process. Removes provision requiring inclusion of reasonably foreseeable fluctuations in miscellaneous costs and estimated contractor profit in cost analysis. Removes provision prohibiting proceeds from selling or replacing long-term assets in cost analysis.

BACKGROUND:

Under current Oregon law, certain public agencies and cities with populations over 15,000, must conduct a cost analysis when considering whether to enter into a service contract with an outside vendor. The cost analysis must demonstrate that the cost of doing business with the vendor is lower than that of using internal personnel and resources or that using internal personnel and resources is not feasible.

Senate Bill 294 permits public employees or their representatives to seek judicial review of a contracting agency's cost analysis. While an analysis is under review, the contracting agency will halt the procurement process until the judicial review reaches a resolution. The measure outlines the judicial authority and jurisdiction of the review and prohibits courts from awarding costs or attorney fees. Finally, the measure provides additional steps to the procurement and cost analysis process.