



April 5, 2017

Clackamas County Board of Commissioners
Policy Position
HB 3203-1: Relating to Least Cost Contracting

Clackamas County Opposes HB 3203-1: The Board of County Commissioners oppose HB 3203-1, which increases risk for public agencies to contract for projects exceeding \$125,000.

Clackamas County averages 35 public improvement contracts every year that exceed \$125,000. HB 3203-1 would require Clackamas County and other public agencies to provide consideration of the full cost of labor before a contracting agency can perform public improvement work. Further, it opens the potential to contracting agencies to exercise legal action against public agencies before contracts are awarded even though the contractor would not otherwise be able to demonstrate standing or damages, or even prove they have won a formal bid.

Beyond adding legal and financial risk to public agencies, the requirements noted in HB 3203-1 would increase burdens on staffing to provide appropriate analysis that is otherwise called for in formalized request for projects. For public agencies with large volumes of contracting requests, such as Clackamas County, this bill would require additional staff to regularly conduct the required analysis, thus creating an unfunded mandate and penalizing local agencies trying to utilize public dollars where it is most expected to be used – on the projects themselves.

In addition, HB 3203-1 changes the existing law to make it impossible for a county to pave a road with 2” of asphalt no matter how much it costs. This means a county would have to perform a detailed analysis just to pave any amount – not just for work that exceeds \$125,000. This effectively makes it impractical for a county to ever pave with its own forces.

Clackamas County believes that growth and economic development are better when the process between public agencies and public contractors is streamlined and transparent. However, the burden placed on public agencies if HB 3203-1 is passed will hinder valuable public relationships with contractors, spend unnecessary public dollars to perform work most contractors already account for in their proposals, and allow contractors to seek legal action for unnecessary and undue reimbursements that will place public dollars at risk.

We urge a “no” vote for HB 3203-1.

Please contact Chris Lyons at clyons@clackamas.us for more information.