Requested by Senator GELSER

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PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 2162

- On page 1 of the printed A-engrossed bill, line 3, before "and" insert
- 2 "creating new provisions; amending ORS 279C.375, 279C.800, 279C.807,
- 3 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137;".
- Delete lines 5 through 23 and delete pages 2 through 4 and insert:
- 5 "SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS 279C.800 to 279C.870.
- "SECTION 2. (1) The Commissioner of the Bureau of Labor and Industries, by rule and in consultation with affected crafts, trades and other worker associations and with contractors and subcontractors that perform contracts for public works for public agencies, may de-
- "(a) The percentage of the total hours that a bidder's employees worked on contracts during the previous calendar year for which the bidder was required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that the bidder is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works
- 19 "(b) The percentage of the total hours that employees of training 20 agents approved by a local joint committee worked on contracts during 21 the previous calendar year for which the training agents were required

with an estimated contract price of \$5 million or more; or

- to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that a bidder associated with the local joint committee is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of \$5 million or more.
- "(2) The commissioner may not set a percentage under subsection
 (1) of this section that is less than the percentage set forth in ORS
 279C.375 (4).
 - "(3) The commissioner shall review the percentages described in subsection (1) of this section at least once every other year to determine whether the commissioner should set a different percentage.
 - **"SECTION 3.** Section 2 of this 2017 Act is amended to read:
 - "Sec. 2. (1) The Commissioner of the Bureau of Labor and Industries, by rule and in consultation with affected crafts, trades and other worker associations and with contractors and subcontractors that perform contracts for public works for public agencies, may determine:
 - "(a) The percentage of the total hours that a bidder's employees worked on contracts during the previous calendar year for which the bidder was required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that the bidder is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of [\$5 million] \$3 million or more; or
 - "(b) The percentage of the total hours that employees of training agents approved by a local joint committee worked on contracts during the previous calendar year for which the training agents were required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that a bidder associated with the local joint committee is responsible under ORS 279C.375

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- 1 (4), if the bidder submits a bid for a contract for public works with an esti-
- 2 mated contract price of [\$5 million] \$3 million or more.
- 3 "(2) The commissioner may not set a percentage under subsection (1) of 4 this section that is less than the percentage set forth in ORS 279C.375 (4).
- 5 "(3)(a) The commissioner shall review the percentages described in sub-6 section (1) of this section at least once every other year to determine 7 whether the commissioner should set a different percentage.
 - "(b) The commissioner shall recommend to the Legislative Assembly, not later than December 31, 2024, any reduction the commissioner deems necessary in the estimated contract price at which bids or proposals for a contract for public works become subject to the requirements of ORS 279C.375 (4).
 - "SECTION 4. ORS 279C.375 is amended to read:

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- 279C.375. (1) After a contracting agency has opened bids and determined that the contracting agency will award a public improvement contract, the contracting agency shall award the contract to the lowest responsible bidder.
- "(2) At least seven days before awarding a public improvement contract, unless the contracting agency determines that seven days is impractical under rules adopted under ORS 279A.065, the contracting agency shall issue to each bidder or post, electronically or otherwise, a notice of the contracting agency's intent to award a contract. This subsection does not apply to a contract to which competitive bidding does not apply under ORS 279C.335 (1)(c) or (d). The notice and the manner in which the **contracting agency issues or posts the** notice [is posted or issued] must conform to rules adopted under ORS 279A.065.
- 26 "(3) In determining the lowest responsible bidder, a contracting agency 27 shall do all of the following:
- "(a) Check the list created by the Construction Contractors Board under ORS 701.227 for bidders who are not qualified to hold a public improvement contract.

- "(b) Determine whether the bidder is responsible. A responsible bidder must demonstrate to the contracting agency that the bidder:
- "(A) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.
- "(B) Holds current licenses that businesses or service professionals operating in this state must hold in order to undertake or perform the work specified in the contract.
 - "(C) Is covered by liability insurance and other insurance in amounts the contracting agency requires in the solicitation documents.
 - "(D) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407 or has elected coverage under ORS 656.128.
 - "(E) Has made the disclosure required under ORS 279C.370.
 - "(F) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this subparagraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within the bidder's control, the bidder stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. The contracting agency shall document the bidder's record of performance if the contracting agency finds under this subparagraph that the bidder is not responsible.
 - "(G) Has a satisfactory record of integrity. The contracting agency in evaluating the bidder's record of integrity may consider, among other things, whether the bidder has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the bidder's performance of a contract or subcontract. The contracting agency shall document the bidder's record of integrity if the contracting agency finds under this subparagraph that the bidder is not responsible.
 - "(H) Is legally qualified to contract with the contracting agency.

"(I) Possesses an unexpired certificate that the Oregon Department of Administrative Services issued under ORS 279A.167, if the bidder employs 50 or more full-time workers and submitted a bid for a procurement with an estimated contract price that exceeds \$500,000 in response to an advertise-

ment or solicitation from a state contracting agency.

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tract award.)

- "(J) Supplied all necessary information in connection with the inquiry concerning responsibility. If a bidder fails to promptly supply information concerning responsibility that the contracting agency requests, the contracting agency shall determine the bidder's responsibility based on available information, or may find that the bidder is not responsible.
- "(c) Document the contracting agency's compliance with the requirements
 of paragraphs (a) and (b) of this subsection in substantially the following
 form:

14 RESPONSIBILITY DETERMINATION FORM 15 16 Project Name: _____ 17 Bid Number: _____ 18 Business Entity Name: _____ 19 CCB License Number: _____ 20 Form Submitted By (Contracting Agency): 21 22 Submitted By (Contracting Agency Representative's Name): Form 23 24 Title: _____ 25 26 Date: _____ (The contracting agency must submit this form with attachments, if any, 27

The contracting agency has (check all of the following):

to the Construction Contractors Board within 30 days after the date of con-

1	[] Checked the list created by the
2	Construction Contractors Board
3	under ORS 701.227 for bidders who
4	are not qualified to hold a public
5	improvement contract.
6	[] Determined whether the bidder has
7	met the standards of responsibility.
8	In so doing, the contracting agency
9	has found that the bidder
10	demonstrated that the bidder:
11	[] Has available the appropriate
12	financial, material, equipment,
13	facility and personnel resources
14	and expertise, or the ability to
15	obtain the resources and
16	expertise, necessary to meet
17	all contractual responsibilities.
18	[] Holds current licenses that
19	businesses or service professionals
20	operating in this state must hold
21	in order to undertake or perform
22	the work specified in the contract.
23	[] Is covered by liability insurance
24	and other insurance in amounts
25	required in the solicitation
26	documents.
27	[] Qualifies as a carrier-insured
28	employer or a self-insured
29	employer under ORS 656.407 or ha
20	alasted severage under OPS 656 19

1	[] Has disclosed the bidder's first-
2	tier subcontractors in accordance
3	with ORS 279C.370.
4	[] Has a satisfactory record of
5	performance.
6	[] Has a satisfactory record of
7	integrity.
8	[] Is legally qualified to contract
9	with the contracting agency.
10	[] Possesses a certificate that
11	the Oregon Department of
12	Administrative Services issued under
13	ORS 279A.167.
14	[] Has supplied all necessary
15	information in connection with
16	the inquiry concerning
17	responsibility.
18	[] Determined the bidder to be
19	(check one of the following):
20	[] Responsible under ORS 279C.375
21	(3)(a) and (b).
22	[] Not responsible under
23	ORS 279C.375 (3)(a) and (b).
24	(Attach documentation if the contracting agency finds the bidder not to
25	be responsible.)
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27	"(d) Submit the form described in paragraph (c) of this subsection, with
28	any attachments, to the Construction Contractors Board within 30 days after
29	the date the contracting agency awards the contract.
30	"(4)(a) If a bidder submits a bid for a contract for public works, as

- defined in ORS 279C.800, with an estimated contract price of \$5 million or more, a contracting agency shall require the bidder, in addition to demonstrating that the bidder is responsible as provided in subsection (3)(b) of this section, to show that the bidder is an approved training agent under ORS 660.137 and:
 - "(A) Belongs to a local joint committee whose approved training agents, in the aggregate, employed apprentices for 10 percent or more of all hours that the employees of the approved training agents worked in the previous calendar year; or
 - "(B) Employed apprentices for 10 percent or more of all hours that the bidder's employees worked on contracts in the previous calendar year.
 - "(b) In the circumstances described in paragraph (a) of this subsection, a contracting agency shall include in the form set forth in subsection (3)(c) of this section an additional criterion for determining responsibility that reads substantially as follows:
- 17 [] Belongs to a local joint 18 committee with training agents 19 that, in the aggregate, employed apprentices for 10 percent or 20 21 more of the hours that the 22 training agents' employees worked in the previous calendar 23 year or is an approved training 24 agent and has employed apprentices 25for 10 percent or more of the total 26 27 number of hours the bidder's employees worked in the previous 28 29 calendar year.

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"(c) This subsection does not apply to the Department of Trans-

1 portation.

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- 2 "[(4)] (5) [The] A successful bidder shall:
- 3 "(a) Promptly execute a formal contract; and
- "(b) Execute and deliver to the contracting agency a performance bond and a payment bond when required under ORS 279C.380.
- "[(5)] (6) [Based on competitive bids,] A contracting agency may award a public improvement contract or may award multiple public improvement contracts based on competitive bids if the contracting agency specifies that the contracting agency will do so [when specified] in the invitation to bid.
 - "[(6)] (7) A contracting agency may not exclude a commercial contractor from competing for a public contract on the basis that the license issued by the Construction Contractors Board is endorsed as a level 1 or level 2 license. As used in this section, 'commercial contractor' has the meaning given that term in ORS 701.005.
- "SECTION 5. ORS 279C.375, as amended by section 4 of this 2017 Act, is amended to read:
 - "279C.375. (1) After a contracting agency has opened bids and determined that the contracting agency will award a public improvement contract, the contracting agency shall award the contract to the lowest responsible bidder.
 - "(2) At least seven days before awarding a public improvement contract, unless the contracting agency determines that seven days is impractical under rules adopted under ORS 279A.065, the contracting agency shall issue to each bidder or post, electronically or otherwise, a notice of the contracting agency's intent to award a contract. This subsection does not apply to a contract to which competitive bidding does not apply under ORS 279C.335 (1)(c) or (d). The notice and the manner in which the contracting agency issues or posts the notice must conform to rules adopted under ORS 279A.065.
 - "(3) In determining the lowest responsible bidder, a contracting agency shall do all of the following:

- "(a) Check the list created by the Construction Contractors Board under ORS 701.227 for bidders who are not qualified to hold a public improvement contract.
- "(b) Determine whether the bidder is responsible. A responsible bidder must demonstrate to the contracting agency that the bidder:
- "(A) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.
 - "(B) Holds current licenses that businesses or service professionals operating in this state must hold in order to undertake or perform the work specified in the contract.
 - "(C) Is covered by liability insurance and other insurance in amounts the contracting agency requires in the solicitation documents.
 - "(D) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407 or has elected coverage under ORS 656.128.
 - "(E) Has made the disclosure required under ORS 279C.370.
 - "(F) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this subparagraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within the bidder's control, the bidder stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. The contracting agency shall document the bidder's record of performance if the contracting agency finds under this subparagraph that the bidder is not responsible.
 - "(G) Has a satisfactory record of integrity. The contracting agency in evaluating the bidder's record of integrity may consider, among other things, whether the bidder has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the bidder's performance of a contract or subcontract. The contracting

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- agency shall document the bidder's record of integrity if the contracting agency finds under this subparagraph that the bidder is not responsible.
- 3 "(H) Is legally qualified to contract with the contracting agency.
- "(I) Possesses an unexpired certificate that the Oregon Department of Administrative Services issued under ORS 279A.167, if the bidder employs 50 or more full-time workers and submitted a bid for a procurement with an estimated contract price that exceeds \$500,000 in response to an advertisement or solicitation from a state contracting agency.
- "(J) Supplied all necessary information in connection with the inquiry concerning responsibility. If a bidder fails to promptly supply information concerning responsibility that the contracting agency requests, the contracting agency shall determine the bidder's responsibility based on available information, or may find that the bidder is not responsible.
- "(c) Document the contracting agency's compliance with the requirements
 of paragraphs (a) and (b) of this subsection in substantially the following
 form:

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18	RESPONSIBILITY DETERMINATION FORM
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20	Project Name:
21	Bid Number:
22	Business Entity Name:
23	CCB License Number:
24	Form Submitted By (Contracting Agency):
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26	Form Submitted By (Contracting Agency Representative's Name):
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28	Title:
29	Date:

(The contracting agency must submit this form with attachments, if any,

1	to the Construction Contractors Board within 30 days after the date of con-
2	tract award.)
3	The contracting agency has (check all of the following):
4	[] Checked the list created by the
5	Construction Contractors Board
6	under ORS 701.227 for bidders who
7	are not qualified to hold a public
8	improvement contract.
9	[] Determined whether the bidder has
10	met the standards of responsibility.
l1	In so doing, the contracting agency
12	has found that the bidder
13	demonstrated that the bidder:
L 4	[] Has available the appropriate
15	financial, material, equipment,
16	facility and personnel resources
L7	and expertise, or the ability to
18	obtain the resources and
19	expertise, necessary to meet
20	all contractual responsibilities.
21	[] Holds current licenses that
22	businesses or service professionals
23	operating in this state must hold
24	in order to undertake or perform
25	the work specified in the contract.
26	[] Is covered by liability insurance
27	and other insurance in amounts
28	required in the solicitation
29	documents.
30	[] Qualifies as a carrier-insured

1	employer or a self-insured
2	employer under ORS 656.407 or has
3	elected coverage under ORS 656.128.
4	[] Has disclosed the bidder's first-
5	tier subcontractors in accordance
6	with ORS 279C.370.
7	[] Has a satisfactory record of
8	performance.
9	[] Has a satisfactory record of
10	integrity.
11	[] Is legally qualified to contract
12	with the contracting agency.
13	[] Possesses a certificate that
14	the Oregon Department of
15	Administrative Services issued under
16	ORS 279A.167.
17	[] Has supplied all necessary
18	information in connection with
19	the inquiry concerning
20	responsibility.
21	[] Determined the bidder to be
22	(check one of the following):
23	[] Responsible under ORS 279C.375
24	(3)(a) and (b).
25	[] Not responsible under
26	ORS 279C.375 (3)(a) and (b).
27	(Attach documentation if the contracting agency finds the bidder not to
28	be responsible.)
29	"
30	"(d) Submit the form described in paragraph (c) of this subsection, with

- any attachments, to the Construction Contractors Board within 30 days after the date the contracting agency awards the contract.
- "(4)(a) If a bidder submits a bid for a contract for public works, as defined in ORS 279C.800, with an estimated contract price of [\$5 million] \$3 million or more, a contracting agency shall require the bidder, in addition to demonstrating that the bidder is responsible as provided in subsection (3)(b) of this section, to show that the bidder is an approved training agent under ORS 660.137 and:
 - "(A) Belongs to a local joint committee whose approved training agents, in the aggregate, employed apprentices for 10 percent or more of all hours that the employees of the approved training agents worked in the previous calendar year; or
 - "(B) Employed apprentices for 10 percent or more of all hours that the bidder's employees worked on contracts in the previous calendar year.
 - "(b) In the circumstances described in paragraph (a) of this subsection, a contracting agency shall include in the form set forth in subsection (3)(c) of this section an additional criterion for determining responsibility that reads substantially as follows:
- 19 [] Belongs to a local joint 20 committee with training agents 21 that, in the aggregate, employed 22 apprentices for 10 percent or more of the hours that the 23 training agents' employees 24 worked in the previous calendar 2526 year or is an approved training 27 agent and has employed apprentices for 10 percent or more of the total 28 29 number of hours the bidder's 30 employees worked in the previous

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- 1 calendar year.
- 2 "(c) This subsection does not apply to the Department of Transportation.
- 3 "(5) A successful bidder shall:
- 4 "(a) Promptly execute a formal contract; and
- 5 "(b) Execute and deliver to the contracting agency a performance bond 6 and a payment bond when required under ORS 279C.380.
- "(6) A contracting agency may award a public improvement contract or may award multiple public improvement contracts based on competitive bids if the contracting agency specifies that the contracting agency will do so in the invitation to bid.
- "(7) A contracting agency may not exclude a commercial contractor from competing for a public contract on the basis that the license issued by the Construction Contractors Board is endorsed as a level 1 or level 2 license. As used in this section, "commercial contractor" has the meaning given that term in ORS 701.005.
- "SECTION 6. ORS 279C.800 is amended to read:
- 17 "279C.800. As used in ORS 279C.800 to 279C.870:
- "(1) 'Apprentice' has the meaning given that term in ORS 660.010.
- 19 "(2) 'Apprenticeship agreement' has the meaning given that term 20 in ORS 660.010.
- "[(1)] (3) 'Fringe benefits' means:
- "(a) Contributions that a contractor or subcontractor makes irrevocably to a trustee or to a third person under a plan, fund or program; and
- "(b) Costs that a contractor or subcontractor may reasonably [be anticipated to incur] **anticipate** in providing the following items, except for items that federal, state or local law requires the contractor or subcontractor to provide:
- 28 "(A) Benefits to workers pursuant to an enforceable written commitment 29 to the workers to carry out a financially responsible plan or program for:
 - "(i) Medical or hospital care;

- "(ii) Pensions on retirement or death; or
- "(iii) Compensation for injuries or illness that result from occupational activity;
- "(B) Insurance to provide the benefits described in subparagraph (A) of this paragraph;
- 6 "(C) Unemployment benefits;
- 7 "(D) Life insurance;
- 8 "(E) Disability and sickness insurance or accident insurance;
- 9 "(F) Vacation and holiday pay;
- "(G) Costs of apprenticeship or other similar programs; or
- "(H) Other bona fide fringe benefits.
- "[(2)] (4) 'Housing' has the meaning given that term in ORS 456.055.
- "[(3)] (5) 'Locality' means the following district in which the public
- 14 works, or the major portion of the public works, is to be performed:
- "(a) District 1, composed of Clatsop, Columbia and Tillamook Counties;
- 16 "(b) District 2, composed of Clackamas, Multnomah and Washington
 17 Counties;
- "(c) District 3, composed of Marion, Polk and Yamhill Counties;
- "(d) District 4, composed of Benton, Lincoln and Linn Counties;
- "(e) District 5, composed of Lane County;
- "(f) District 6, composed of Douglas County;
- 22 "(g) District 7, composed of Coos and Curry Counties;
- 23 "(h) District 8, composed of Jackson and Josephine Counties;
- "(i) District 9, composed of Hood River, Sherman and Wasco Counties;
- 25 "(j) District 10, composed of Crook, Deschutes and Jefferson Counties;
- 26 "(k) District 11, composed of Klamath and Lake Counties;
- "(L) District 12, composed of Gilliam, Grant, Morrow, Umatilla and Wheeler Counties;
- "(m) District 13, composed of Baker, Union and Wallowa Counties; and
- "(n) District 14, composed of Harney and Malheur Counties.

- "[(4)] (6) 'Prevailing rate of wage' means the rate of hourly wage, including all fringe benefits, that the Commissioner of the Bureau of Labor and Industries determines is paid in the locality to the majority of workers
- 4 employed on projects of a similar character in the same trade or occupation.
- "[(5)] (7) 'Public agency' means the State of Oregon or a political subdition of the State of Oregon, or a county, city, district, authority, public corporation or public entity organized and existing under law or charter or
- $\boldsymbol{8}$ $\,$ an instrumentality of the county, city, district, authority, public corporation
- 9 or public entity.
- "[(6)(a)] (8)(a) 'Public works' includes, but is not limited to:
- "(A) Roads, highways, buildings, structures and improvements of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest;
- "(B) A project that uses \$750,000 or more of funds of a public agency for constructing, reconstructing, painting or performing a major renovation on a road, highway, building, structure or improvement of any type;
- "(C) A project that uses funds of a private entity for constructing a privately owned road, highway, building, structure or improvement of any type in which a public agency will use or occupy 25 percent or more of the square footage of the completed project;
- "(D) Notwithstanding the provisions of ORS 279C.810 (2)(a), (b) and (c), a device, structure or mechanism, or a combination of devices, structures or mechanisms, that:
- 25 "(i) Uses solar radiation as a source for generating heat, cooling or elec-26 trical energy; and
- "(ii) Is constructed or installed, with or without using funds of a public agency, on land, premises, structures or buildings that a public body, as defined in ORS 174.109, owns; or
 - "(E) Notwithstanding paragraph (b)(A) of this subsection and ORS

- 1 279C.810 (2)(b) and (c), construction, reconstruction, painting or major reno-
- 2 vation of a road, highway, building, structure or improvement of any type
- 3 that occurs, with or without using funds of a public agency, on real property
- 4 that a public university listed in ORS 352.002 owns.
- 5 "(b) 'Public works' does not include:

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- 6 "(A) Reconstructing or renovating privately owned property that a public 7 agency leases; or
- 8 "(B) A private nonprofit entity's renovation of publicly owned real prop-9 erty that is more than 75 years old if:
- "(i) The real property is leased to the private nonprofit entity for more than 25 years;
 - "(ii) Funds of a public agency used in the renovation do not exceed 15 percent of the total cost of the renovation; and
 - "(iii) Contracts for the renovation were advertised or, if not advertised, were entered into before July 1, 2003, but the renovation has not been completed on or before July 13, 2007.
 - **"SECTION 7.** ORS 279C.807 is amended to read:
 - "279C.807. (1) The Bureau of Labor and Industries shall develop, [and] adopt **and update** a plan to increase diversity statewide among workers **and apprentices** employed on projects subject to ORS 279C.800 to 279C.870. The bureau shall develop the plan after conducting a statewide public process to solicit proposals to increase diversity and shall adopt **or update** the plan after considering proposals submitted to the bureau.
- "(2) The bureau shall report each year to the Legislative Assembly or to the appropriate legislative interim committee concerning progress that results from the plan adopted under this section and may submit recommendations for legislation or other measures that will improve diversity among workers and apprentices employed on projects subject to ORS 279C.800 to 279C.870. [The bureau shall submit the first report no later than January 1, 2009.]

"SECTION 8. ORS 279C.827 is amended to read:

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- "279C.827. (1)(a) A public agency may not divide a public works project into more than one contract for the purpose of avoiding compliance with ORS 279C.800 to 279C.870.
- "(b) [When] If the Commissioner of the Bureau of Labor and Industries determines that a public agency has divided a public works project into more than one contract for the purpose of avoiding compliance with ORS 279C.800 to 279C.870, the commissioner shall issue an order [compelling] to compel compliance.
- "(c) In making [determinations] a determination under this subsection, the commissioner shall consider:
- "(A) The physical separation of the project structures;
- "(B) The timing of the work on project phases or structures;
- "(C) The continuity of project contractors and subcontractors working on project parts or phases;
- 16 "(D) The manner in which the public agency and the contractors admin-17 ister and implement the project;
- 18 "(E) Whether a single public works project includes several types of im-19 provements or structures; and
 - "(F) Whether the combined improvements or structures have an overall purpose or function.
- "(2) If a project is a public works of the type described in ORS 279C.800 22 [(6)(a)(B)] (8)(a)(B) or (C), the commissioner shall divide the project, if ap-23 propriate, after applying the considerations set forth in subsection (1)(c) of 24 this section to separate the parts of the project that include funds of a public 25 agency or that a public agency will occupy or use [will be occupied or used 26 by a public agency] from the parts of the project that do not include funds 27 of a public agency and that a public agency will not occupy or use [will 28 not be occupied or used by a public agency]. If the commissioner divides the 29 project, any part of the project that does not include funds of a public agency 30

- and that [will not be occupied or used by] a public agency will not occupy or use is not subject to ORS 279C.800 to 279C.870.
- "(3) If a project includes parts that [are owned by] a public agency **owns** and parts that [are owned by] a private entity **owns**, the commissioner shall divide the project, if appropriate, after applying the considerations set forth in subsections (1)(c) and (2) of this section to separate the parts of the project that are public works from the parts of the project that are not public works. If the commissioner divides the project, parts of the project that are not public works are not subject to ORS 279C.800 to 279C.870.

"SECTION 9. ORS 279C.830 is amended to read:

- "279C.830. (1)(a) Except as provided in paragraph (e) of this subsection, a public agency shall include in the specifications for every contract for public works [must contain] a provision that states the existing state prevailing rate of wage and, if applicable, the federal prevailing rate of wage required under the Davis-Bacon Act (40 U.S.C. 3141 et seq.) that a contractor, subcontractor or other person that is a party to the contract must [be paid] pay to workers in each trade or occupation that the contractor, [or] subcontractor or other person [who is a party to the contract] uses in performing all or part of the contract. If the prevailing rates of wage are available electronically or are accessible on the Internet, the public agency may incorporate the rates [may be incorporated] into the specifications by referring to the electronically accessible or Internet-accessible rates and by providing adequate information about how to access the rates.
- "(b) If a public agency under paragraph (a) of this subsection must include the state and federal prevailing rates of wage in the specifications, the public agency shall also require the contractor to pay the higher of the applicable state or federal prevailing rate of wage to all workers on the public works.
- "(c) Every contract and subcontract must provide that a contractor, subcontractor or other person that is a party to the contract must pay

- the workers [must be paid] not less than the specified minimum hourly rate of wage in accordance with ORS 279C.838 and 279C.840.
- "(d) If a public works project is subject both to ORS 279C.800 to 279C.870 and to the Davis-Bacon Act, every contract and subcontract must provide that the contractor, subcontractor or other person that is a party to the contract must pay the workers on the public works [must be paid] not
- 7 less than the higher of the applicable state or federal prevailing rate of wage.
- 8 "(e) A public works project described in ORS 279C.800 [(6)(a)(B)] (8)(a)(B)
- 9 or (C) is subject to the existing state prevailing rate of wage or, if applicable,
- the federal prevailing rate of wage required under the Davis-Bacon Act that
- is in effect at the time a public agency enters into an agreement with a
- 12 private entity for the project. After that time, the specifications for a con-
- 13 tract for the public works must include the applicable prevailing rate of
- 14 wage.
- 15 "(2) The specifications for a contract for public works must provide that
- 16 the contractor and every subcontractor must have a public works bond filed
- 17 with the Construction Contractors Board before starting work on the project,
- unless the contractor or subcontractor exempt under ORS 279C.836 (4),
- 19 (7), (8) or (9). Every contract that a contracting agency awards must require
- 20 the contractor to:
- "(a) Have a public works bond filed with the Construction Contractors
- Board before starting work on the project, unless the contractor is exempt
- 23 under ORS 279C.836 (4), (7), (8) or (9).
- 24 "(b) Require, in every subcontract, that the subcontractor have a public
- 25 works bond filed with the Construction Contractors Board before starting
- 26 work on the project, unless the subcontractor is exempt under ORS
- 27 279C.836 (4), (7), (8) or (9).
- "(3)(a) Every contract for public works must provide that the con-
- 29 tractor, before awarding a subcontract, must require a prospective
- 30 subcontractor to demonstrate to the contractor and the contracting

- agency that the prospective subcontractor meets the same standards of responsibility that apply to the contractor under ORS 279C.375 (4).
- 3 "(b) This subsection does not apply to the Department of Trans-4 portation.
 - **"SECTION 10.** ORS 279C.840 is amended to read:

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- "279C.840. (1) The hourly rate of wage [to be paid by any] that a con-6 tractor or subcontractor **must pay** to workers upon all public works [shall 7 be not may not be less than the prevailing rate of wage for an hour's work 8 in the same trade or occupation in the locality where the labor is performed. 9 [The obligation of] A contractor or subcontractor may discharge the obli-10 gation to pay the prevailing rate of wage [may be discharged] by making the 11 payments in cash, by [the] making [of] contributions of a type [referred to] 12 described in ORS 279C.800 [(1)(a)] (3)(a), or by [the assumption of] assuming 13 an enforceable commitment to bear the costs of a plan or program of a type 14 [referred to] **described** in ORS 279C.800 [(1)(b)] (3)(b), or any combination 15 [thereof] of payments, contributions or costs, [where] if the aggregate of 16 [any such] the payments, contributions and costs is not less than the pre-17 vailing rate of wage. The contractor or subcontractor shall pay all wages due 18 and owing to the contractor's or subcontractor's workers upon public works 19 on the regular payday established and maintained under ORS 652.120. 20
 - "(2) After a contract for public works is executed with any contractor or work [is commenced] begins upon any public works, a contractor or subcontractor may not attack the amount of the prevailing rate of wage [is not subject to attack] in any legal proceeding [by any contractor or subcontractor] in connection with that contract.
 - "(3) It is not a defense in any legal proceeding that the prevailing rate of wage is less than the amount required to be in the specifications of a contract for public works, or that [there was an agreement between] the employee and the employer agreed that the employee would [to] work at less than the wage rates required [to be paid] under this section.

- "(4) Every contractor or subcontractor **that is** engaged on a project [for which there is] **under** a contract for a public works shall keep the prevailing rates of wage for that project posted in a conspicuous and accessible place in or about the project. The Commissioner of the Bureau of Labor and Industries shall furnish without charge copies of the prevailing rates of wage to contractors and subcontractors.
 - "(5) Every contractor or subcontractor **that is** engaged on a project [for which there is] **under** a contract for a public works to which the prevailing wage requirements apply that also provides or contributes to a health and welfare plan or a pension plan, or both, for the contractor or subcontractor's employees on the project shall post a notice describing the plan in a conspicuous and accessible place in or about the project. The **contractor or subcontractor shall preferably post the** notice [preferably shall be posted] in the same place as the notice required under subsection (4) of this section. In addition to the description of the plan, the notice [shall contain] **must have** information on how and where to make claims and where to obtain further information.
 - "(6)(a) Except as provided in paragraph (c) of this subsection, [no] a person other than the contractor or subcontractor may not pay or contribute any portion of the prevailing rate of wage [paid by] that the contractor or subcontractor pays to workers [employed in the performance of] the contractor or subcontractor employs in performing a contract for public works [contract].
 - "(b) For the purpose of this subsection, the prevailing rate of wage is the prevailing rate of wage specified in the contract.
- "(c) This subsection [is not intended to] **does not** prohibit payments to a worker who is enrolled in any government-subsidized training or retraining program.
- "(7) A person may not take any action that circumvents the payment of the prevailing rate of wage to workers employed on a **contract for** public

- works [contract], including, but not limited to, reducing an employee's regu-
- 2 lar rate of pay on any project that is not subject to ORS 279C.800 to
- 3 279C.870 in a manner that has the effect of offsetting the prevailing rate of
- 4 wage on a public works project.

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- **"SECTION 11.** ORS 279C.845 is amended to read:
- "279C.845. (1) [The] A contractor or the contractor's surety and every subcontractor or the subcontractor's surety shall file [certified statements] a written statement with the public agency with which the contractor has a contract for public works [in writing], on a form prescribed by the
- 11 the contractor or subcontractor certifies:
- "(a) The hourly rate of wage paid each worker whom the contractor or the subcontractor has employed upon the public works; [and]

Commissioner of the Bureau of Labor and Industries, [certifying] in which

- "(b) That **the contractor or subcontractor has not paid a** [no] worker [employed] **the contractor or subcontractor employs** upon the public works [has been paid] less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract[.]; and
- "(c) The total number of hours that apprentices who are participating in programs of apprenticeship or training under ORS 660.002 to 660.210 worked on the public works project in the previous week.
- "(2) The [certified statement shall be verified by the oath of the] contractor or the contractor's surety or the subcontractor or the subcontractor's surety shall attest by oath that the contractor or subcontractor has read the [certified] statement described in subsection (1) of this section, that the contractor or subcontractor knows the contents of the [certified] statement and that to the contractor or subcontractor's knowledge the [certified] statement is true.
- "(3) The [certified statements] contractor or subcontractor, in the statement described in subsection (1) of this section, shall set out accurately and completely the contractor's or subcontractor's payroll records,

- including the name and address of each worker, the worker's correct classi-
- 2 fication, the worker's apprenticeship agreement registration number,
- 3 if available, rate of pay, daily and weekly number of hours worked and the
- 4 gross wages the worker earned upon the public works during each week
- 5 identified in the [certified] statement.
- 6 "(4) [The] A contractor or subcontractor shall deliver or mail [each cer-
- 7 tified statement required by subsection (1) of this section to the public agency.
- 8 Certified statements] a statement required under subsection (1) of this
- 9 section to the public agency with which the contractor has a contract
- 10 for public works. The contractor or subcontractor shall submit, by the
- 11 fifth business day of each month, a statement for each week in the
- 12 **previous month** during which the contractor or subcontractor employs a
- worker upon the public works [shall be submitted once a month, by the fifth
- business day of the following month]. A public agency may use information
- 15 [submitted on certified statements may be used] on a statement that a
- 16 contractor or subcontractor submits under this section only to:
- "(a) Ensure compliance with the provisions of ORS 279C.800 to
- 18 279C.870[.]; and

- 19 "(b) Determine the percentage of total hours that workers per
 - formed on the public works for which the contractor or subcontractor
- 21 employed apprentices participating in programs of apprenticeship or
- 22 training under ORS 660.002 to 660.210.
- 23 "(5) Each contractor or subcontractor shall preserve [the certified state-
- 24 ments a statement described in subsection (1) of this section for a pe-
- 25 riod of three years [from] after the date [of completion of] on which the
- 26 contractor completes the contract for public works.
- 27 "(6) [Certified statements received by] A statement that a public agency
- 28 [are public records] receives under this section is subject to the provisions
- 29 of ORS 192.410 to 192.505.
 - "(7) Notwithstanding ORS 279C.555 or 279C.570 (7), if a contractor is re-

- quired to file [certified statements] a statement under this section, the pub-lic agency shall retain 25 percent of any amount [earned by] the contractor earns on the public works until the contractor has filed with the public agency [certified] the statement [statements as] required [by] under this section. The public agency shall pay the contractor the amount the public agency retained under this subsection within 14 days after the contractor files the [certified statements as required by] statement in accordance with this section, regardless of whether a subcontractor has failed to file [certified] statements as] a statement required [by] under this section. The public agency is not required to verify the truth of the contents of [certified state-ments filed by] the statement the contractor submits under this section.
 - "(8) Notwithstanding ORS 279C.555, [the] a contractor shall retain 25 percent of any amount [earned by] that a first-tier subcontractor earns on a public works until the subcontractor [has filed with] submits the statement required under this section to the public agency with which the contractor has a contract for public works [certified statements as required by this section]. The contractor shall verify that the first-tier subcontractor has filed the [certified statements] statement before the contractor may pay the subcontractor any amount the contractor retained under this subsection. The contractor shall pay the first-tier subcontractor the amount the contractor retained under this subsection within 14 days after the subcontractor files the [certified statements as required by] statement in accordance with this section. [Neither] The public agency [nor] and the contractor [is] are not required to verify the truth of the contents of [certified statements filed by] a statement that a first-tier subcontractor submits under this section.

"SECTION 12. ORS 279C.850 is amended to read:

"279C.850. (1) At any reasonable time the Commissioner of the Bureau of Labor and Industries may enter the office or business establishment of any contractor or subcontractor [performing] with a contract for public works

- and gather facts and information necessary to determine whether the [pre-
- 2 vailing rate of wage is actually being paid by such contractor or subcontractor
- 3 to workers upon public works.] contractor or subcontractor is:

- "(a) Actually paying the prevailing rate of wage to workers upon public works; and
 - "(b) Reporting the information required under ORS 279C.845 (1)(c) accurately and truthfully.
 - "(2) [Upon request by the commissioner] At the commissioner's request, every contractor or subcontractor [performing work on] with a contract for public works shall make available to the commissioner for inspection during normal business hours any payroll or other records [in the possession or under the control of] the contractor or subcontractor possesses or controls that [are deemed necessary by] the commissioner deems necessary to determine whether the contractor or subcontractor is actually paying the prevailing rate of wage [is actually being paid by such contractor or subcontractor] to workers upon public works. The [commissioner's request must be made] commissioner must make the request a reasonable time in advance of the inspection.
 - "(3) Notwithstanding ORS 192.410 to 192.505, any record [obtained or made by] the commissioner **obtains or makes** under this section is not open to inspection by the public.
 - "(4) The commissioner may, without necessity of an assignment, initiate legal proceedings against [employers] a contractor or subcontractor with a contract for public works to enjoin future failures to pay required prevailing rates of wage or overtime pay and to require the contractor or subcontractor to pay [payment of] prevailing rates of wage or overtime pay due employees. The commissioner [is entitled to] may recover, in addition to other costs, [such] a sum [as] that the court or judge [may determine] determines is reasonable as attorney fees. If the commissioner does not prevail in the action, the commissioner shall pay all costs and disbursements from

- the Bureau of Labor and Industries Account.
- 2 "(5) The commissioner by rule shall establish a program to regu-3 larly carry out the provisions of this section.
- 4 **"SECTION 13.** ORS 660.137 is amended to read:
- 5 "660.137. (1) [Every local apprenticeship or training program administered
- 6 by a local joint committee, or by a trade committee functioning as a local joint
- 7 committee, shall:] A local joint committee, or a trade committee that
- 8 functions as a local joint committee, shall:
- "[(1)] (a) Propose to the State Apprenticeship and Training Council and 9 the Apprenticeship and Training Division of the Bureau of Labor and In-10 dustries standards for the local joint committee's local apprenticeship 11 or training program that [are in substantial conformity] substantially 12 **conform** with ORS 660.126 and with the uniform standards, if any, [adopted 13 by] that the state joint committee adopted for [that occupation] the pro-14 gram, and recommend to the council and the division modifications of the 15 standards. 16
- "[(2)] (b) Administer [its] the local joint committee's program in conformity with [its] standards the local joint committee approved [standards], with the provisions of ORS 660.002 to 660.210, and with the rules and policies of the council and the division. [Particularly] Specifically, the local joint committee shall:
 - "[(a)] (A) Maintain records of all apprentices in [its] the local joint committee's program[,] with respect to work experience, instruction on the job, attendance at related instruction [and progress,] and progress made, along with [such] other records [as may be] that are appropriate or required[, and shall];
- "(**B**) Submit [*such*] reports [*as*] **that** the council, division or other appropriate governmental agencies [*may*] require;
- "[(b)] (C) Submit to the state joint committee appropriate requests for changes in courses of study for [the instruction of] instructing apprentices;

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- "[(c)] (**D**) [Be responsible for apprentices receiving] **Provide** necessary onthe-job and related instruction[,]; and [for all]
- "(E) Promptly register all apprenticeship agreements [being promptly registered] with the council.
- "[(3)] (c) [Be responsible for the recruitment, qualification, selection, ap-6 proval and registration of] Recruit, qualify, select, approve and register 7 apprentices [entering] who enter the program[, including the evaluation of] 8 and evaluate previous creditable work experience, education and training 9 for which the local joint committee must give advanced credit [must be 10 given, provided that] if the local joint committee can give advanced credit 11 [may be given for such] for the creditable work experience, education and 12 training. 13
 - "[(4)] (d) Review and evaluate, at least semiannually, [the] each apprentice's progress [of each apprentice,] as to job performance and related instruction[, and]. Consistent with the skill the apprentice has acquired, the local joint committee shall [accordingly] advance the apprentice to the next level of apprenticeship, [or] hold the apprentice at the same level for a reasonable period[, and] with reasonable opportunity for corrective action[,] or terminate the apprentice from the program for serious or continued inadequate progress and notify the council and the division of the local joint committee's action [taken]. The local joint committee shall also notify the council, the division and the apprentice's new level on the wage schedule[. Recognition for] and shall ensure that an apprentice's successful completion of apprenticeship [shall be] is evidenced by an appropriate certificate [issued by] from the council.
 - "[(5)(a)] (e) Determine the qualifications, minimum facilities and training conditions [required of] that an employer **must have** to serve as an approved training agent, [and] to approve training agents [accordingly;] in accord-

ance with the required qualifications, minimum facilities and training conditions and to ensure compliance by:

"[(b)] (A) [Make] Making periodic checks of approved training agents to ensure that [there are] each training agent has qualified training personnel and [that there is] adequate supervision on the job, adequate and safe equipment and facilities for training and supervision[,] and safety training for apprentices on the job and in related instruction; and

"[(c)] (B) [Withdraw] Withdrawing approval of a training [agents when] agent that no longer meets the required qualifications [are no longer met or when it appears to] or that the committee believes [that the training agent is in violation of] has violated the terms of an apprenticeship agreement, the local joint committee's standards, the provisions of ORS 660.002 to 660.210 or the rules and policies of the council and the division.

"[(6)] (f) Determine and redetermine at least annually the average journeyworker hourly rate of wage for the purposes of ORS 660.142 and submit the rate to the State Director of Apprenticeship and Training, along with a statement explaining how the local joint committee made the determination [was made. Training agents that fail or refuse to provide their committees with information shall be terminated as approved training agents].

"(g) Report by January 31 of each year to the division, on forms and in a format that the Bureau of Labor and Industries specifies by rule, all hours that apprentices and journeyworkers worked during the previous calendar year, after collecting all necessary information from the local joint committee's training agents. The report must attribute each of the hours to a specific training agent and must identify apprentices and journeyworkers by craft, by race or ethnicity, by gender and by the geographic location in which the apprentices reside and work in accordance with standards and categories that the bureau specifies by rule.

- "(2)(a) A local joint committee shall withdraw approval from a training agent that fails or refuses to provide the local joint committee with the information required under subsection (1)(f) and (g) of this section.
- "(b) The council and the division may withhold approval of a new program or terminate an existing program [for failure or refusal by the committee or its] if a local joint committee or the local joint committee's training agents fail or refuse to keep the established journeyworker hourly rate of wage current and correct.
 - "(c) The local joint committee shall retain all records from which a committee made a wage determination [was made for inspection by] for the council and division to inspect, as required by law.
 - "(3) The division shall publish the information that each local joint committee reports to the division under subsection (1)(g) of this section on the bureau's website and make the information available to the public.
 - "(4) The bureau, not later than March 1 of each year, shall submit to a committee or interim committee of the Legislative Assembly that deals with workforce issues a report that includes:
 - "(a) The information that the bureau publishes under subsection (3) of this section;
 - "(b) Information about the number of apprentices who become journeyworkers during the reporting period, identifying the number of apprentices by craft, by race or ethnicity, by gender and by the geographic location in which the apprentices reside and work; and
 - "(c) The bureau's evaluation of the impact that the apprenticeship requirements set forth in ORS 279C.375 (4) and section 2 of this 2017 Act have on rural areas within this state.
- 29 "SECTION 14. (1) Section 2 of this 2017 Act and the amendments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845,

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- 279C.850 and 660.137 by sections 4 and 6 to 13 of this 2017 Act apply to a contract for public works that a public agency advertises or solicits or, if the public agency does not advertise or solicit the contract for public works, that the public agency enters into on or after the operative date specified in section 15 (1) of this 2017 Act.
- "(2) The amendments to section 2 of this 2017 Act by section 3 of this 2017 Act and the amendments to ORS 279C.375 by section 5 of this 2017 Act apply to a contract for public works that a public agency advertises or solicits or, if the public agency does not advertise or solicit the contract for public works, that the public agency enters into on or after the operative date specified in section 15 (2) of this 2017 Act.
 - "SECTION 15. (1) Section 2 of this 2017 Act and the amendments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137 by sections 4 and 6 to 13 of this 2017 Act become operative on January 1, 2019.
 - "(2) The amendments to section 2 of this 2017 Act by section 3 of this 2017 Act and the amendments to ORS 279C.375 by section 5 of this 2017 Act become operative on January 1, 2023.
- "(3) The Attorney General, the Commissioner of the Bureau of La-19 bor and Industries, the Director of the Oregon Department of Admin-20 istrative Services and a contracting agency, other than the 21 Department of Transportation, that adopts rules under ORS 279A.065 22 may adopt rules and take any other action before the operative date 23 specified in subsection (1) of this section that is necessary to enable 24 the Attorney General, the commissioner, the director or the con-25 tracting agency to exercise, on and after the operative date specified 26 in subsection (1) of this section, all of the duties, functions and powers 27 conferred on the Attorney General, the commissioner, the director or 28 the contracting agency by section 2 of this 2017 Act and the amend-29 ments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 30

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279C.845, 279C.850 and 660.137 by sections 4 and 6 to 13 of this 2017 Act.

2 "SECTION 16. This 2017 Act takes effect on the 91st day after the

date on which the 2017 regular session of the Seventy-ninth Legislative

4 Assembly adjourns sine die.".

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