

HB 2374 -3 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/29, 4/5

WHAT THE MEASURE DOES:

Directs Department of Administrative Services to study issues related to procurement in public contracting and report to a legislative committee by September 15, 2022.

ISSUES DISCUSSED:

- Limited application to state contracting agencies on procurements; public improvement contracts will not be subject of report

EFFECT OF AMENDMENT:

-3 Replaces the measure. Directs Department of Administrative Services (DAS) to develop training materials and specify procedures for state contracting agencies regarding application of contract preferences. Requires state contracting agencies to report to DAS by August 15, 2022, regarding specified procurements solicited after the effective date and before July 31, 2022. Specifies reports must include which contract preferences were applied and why discretionary preferences were or were not applied. Directs DAS to report to legislative committee by September 30, 2022, a summary of contract preferences applied and reasons why discretionary preferences were or were not applied. Directs DAS to include in report any recommendations for ensuring state contracting agencies apply preferences as intended by the Legislative Assembly. Declares emergency, effective on passage.

BACKGROUND:

In general, public contracting agencies must award contracts for goods or services following the competitive process provided in ORS 279B.055 (sealed bids) or 279B.060 (sealed proposals). There are exceptions for procurements under \$150,000, sole source procurements, emergency procurements, and special procurements. The application of a contract preference provides an advantage to bidders or proposers who meet specified criteria.

The following contract preferences must be applied by state and local government contracting agencies:

- In-state Printing
- Purchase from Qualified Rehabilitation Facilities
- In-State Tie-Bid Awards
- Interstate Reciprocal Preferences
- Goods Made with Recycled Materials
- Recyclable or Biodegradable Food Service Products
- Goods are Recyclable or Reusable
- In-House Services

The following contract preferences may be applied at the discretion of state and local government contracting agencies:

- Intergovernmental Cooperation
- State Surplus Property
- Inmate Labor
- Business Owned by Disadvantaged or Minority Person or by Service-Disabled Veteran
- Oregon Goods and Services
- Safer (Green Chemistry) Products (applies only to state contracting agencies)

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- Require Contractor to Subcontractor with or Purchase from Emerging Small Business or Business Owned by Service-Disabled Veteran

PRELIMINARY