

A-Engrossed
House Bill 2374

Ordered by the House April 6
Including House Amendments dated April 6

Sponsored by Representative NATHANSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Directs Oregon Department of Administrative Services to study issues related to preferences in public contracting and report to appropriate committee or interim committee of Legislative Assembly on or before September 15, 2022.]

Requires state contracting agency that awards certain types of public contracts to report number of procurements state contracting agency solicited, general nature of each procurement and estimate of contract price, which contract preferences set forth in statute or administrative rule state contracting agency applied in evaluating bids or proposals for procurement and why state contracting agency applied or did not apply contract preferences.

Requires Oregon Department of Administrative Services to develop and make available training materials and procedures for applying contracting preferences. Directs department to submit report to interim committee of Legislative Assembly that summarizes information from state contracting agencies and includes recommendations to ensure that state contracting agencies apply contract preferences in accordance with intent of Legislative Assembly.

Sunset January 2, 2023.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to preferences in public contracting; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 279B.**

5 **SECTION 2. (1)(a) After the effective date of this 2021 Act and before July 31, 2022, a**
6 **state contracting agency that awards a public contract under ORS 279B.055, 279B.060 or**
7 **279B.070 shall use forms or electronic systems the Director of the Oregon Department of**
8 **Administrative Services specifies to report to the director not later than August 15, 2022:**

9 **(A) How many procurements the state contracting agency solicited during the period**
10 **described in this subsection;**

11 **(B) The general nature of each procurement, including an estimate of the contract price;**
12 **and**

13 **(C) Which contract preferences set forth in statute or administrative rule, if any, the**
14 **state contracting agency applied in evaluating bids or proposals in the course of awarding**
15 **the public contracts.**

16 **(b) In the report described in paragraph (a) of this subsection, each state contracting**
17 **agency shall also:**

18 **(A) State why the state contracting agency applied or did not apply any applicable dis-**
19 **cretionary preferences; and**

20 **(B) Provide any other information or content the director requires for the report de-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 scribed in paragraph (a) of this subsection.

2 (2)(a) During the period described in subsection (1) of this section, the Oregon Depart-
3 ment of Administrative Services shall develop training materials and specify procedures and
4 best practices that state contracting agencies can use to determine which contract prefer-
5 ences must or should apply to a procurement, which contract preferences the state con-
6 tracting agency may apply at the state contracting agency's discretion and how to properly
7 apply appropriate preferences while evaluating bids and proposals for, and awarding, public
8 contracts.

9 (b) Upon completing the training materials, procedures and practices described in para-
10 graph (a) of this subsection, the department shall immediately make the training materials,
11 procedures and practices available to state contracting agencies and provide any needed
12 guidance on implementation.

13 (3)(a) Not later than September 30, 2022, the department shall submit to an interim
14 committee of the Legislative Assembly related to public procurement a report that summa-
15 rizes the information described in subsection (1) of this section. In the summary, the de-
16 partment shall identify which contract preferences state contracting agencies used in
17 procurements during the period described in subsection (1) of this section, which potentially
18 applicable contract preferences were not used and reasons that state contracting agencies
19 gave for using or not using discretionary contract preferences.

20 (b) In the report described in paragraph (a) of this subsection, the department shall re-
21 commend any changes in statute, administrative rule, policy or procedure the department
22 determines are necessary to ensure that state contracting agencies apply contract prefer-
23 ences in accordance with the intent of the Legislative Assembly.

24 **SECTION 3.** Section 2 of this 2021 Act is repealed on January 2, 2023.

25 **SECTION 4.** This 2021 Act being necessary for the immediate preservation of the public
26 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
27 on its passage.

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