

## **SB 1047 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 3/23, 3/28

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#### **WHAT THE MEASURE DOES:**

Raises contract price threshold under which contracting agency may apply specified solicitation and procurement methods for public contracts. Requires state contracting agency that awards public contract under specified method with price of at least \$10,000 document in state contracting agency's procurement file actions taken to provide notice of procurement to Governor's Policy Advisor for Economic and Business Equity and to invite or consider for participation in procurement businesses or enterprises that Certification Office for Business Inclusion and Diversity (COBID) certifies. Requires Oregon Department of Administrative Services (DAS) to promote and apply a policy of diversity, equity, and inclusion in public contracting by attempting to increase public contracting opportunities for businesses and enterprises that are certified by the COBID. Specifies actions DAS must take and requires DAS to report every six months to the Governor's Policy Advisor for Economic and Business Equity on implementation efforts. Applies to procurements that contracting agency advertises or solicits or, if there is no advertisement or solicitation, public contracts that a contracting agency enters on or after operative date. Operative January 1, 2024. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Some procurement thresholds have not been updated in twenty years
- Procurement threshold impacts procurement method state agency must use
- Cost for Disparity study
- Threshold amounts do not preclude state from using more rigorous procurement process

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Public contracting is governed by the Public Contracting Code (Code) contained in ORS Chapters 279A, 279B, and 279C. Chapter 279A contains general provisions applicable to the Code, Chapter 279B contains laws overseeing public procurement contracts, and Chapter 279C governs public improvement and related contracts. The judicial and legislative department are exempted from the Code. Generally, a contracting agency awards contracts to the lowest bidder or best proposer. However, the Code contains provisions allowing contracting agencies to give preference in certain circumstances. Additionally, the Code allows for an expedited process for awarding contracts that meet maximum price thresholds.

The Office for Business Inclusion and Diversity (COBID) is the sole certification authority for Oregon. Certification provides businesses with the opportunity to compete for targeted government contracting opportunities. There are several types of certifications: federally funded transportation related projects and opportunities funded with state dollars, such as the Minority Business Enterprise Program or the Emerging Small Business Program.

Senate Bill 1047 raises the contract price threshold under which contracting agencies may apply certain solicitation and procurement methods for public contracts and requires DAS to promote a policy of diversity, equity, and inclusion in public contracting.