DAS
DEPARTMENT OF
ADMINISTRATIVE
SERVICES

Senate Bill 1047

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DAS Procurement Services

Goals of Senate Bill 1047

Expand access to contracts for small diverse firms
Raising thresholds puts more contracts into the small and intermediate categories which are easier and faster for small firms to navigate

Account for inflation and changing markets
Existing thresholds haven't changed in 10+ years and current inflation rates mean our dollars don't buy as much as they used to

Direction to DAS on implementing disparity study results
Evaluate the study's recommendations and develop a plan to increase public contracting opportunities for diverse businesses

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What is a Procurement Threshold?

A contract's anticipated dollar value drives what procurement method is used

Procurement methods and current thresholds:

Small Procurement (currently under $10,000)	**Intermediate Procurement** (currently $10,000–$150,000)	**Sealed Competitive** (over $150,000)
Allows for a non-competitively bid contract to be issued. Agencies can quickly secure goods and services they need.	Requires more process & competition. At minimum, agencies must post 7-days publicly, and take active steps to include small & diverse firms. Takes 30-days.	Rigorous process of formal solicitation documents (usually with DOJ review), 30-day public positing, formal process steps & evaluations & complex contract negotiation. Takes 4-6 months.

What is Changed in Senate Bill 1047?

Increased procurement thresholds as follows:

1 Increased small procurement dollar threshold from $10,000 to $25,000

2 Increased intermediate procurement dollar threshold from to $150,000 to $250,000

82nd OREGON LEGISLATIVE ASSEMBLY—2023 Regular Session

Senate Bill 1047

Sponsored by Senator WAGNER (at the request of Governor Tina Kotek)

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 as introduced.

Raises contract price threshold under which contracting agency may apply certain solicitation and procurement methods for public contracts. Requires state contracting agency that awards public contract with contract price of $10,000 or more to document in state contracting agency's procurement file actions that state contracting agency takes 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 certifies.

Requires Oregon Department of Administrative Services to promote policy of diversity, equity and inclusion in public contracting by engaging in efforts to increase public contracting opportunities for businesses and enterprises that Certification Office for Business Inclusion and Diversity has certified. Requires department to review and evaluate results of disparity study, to develop plan to implement and implement priority recommendations of study and to report periodically to Governor's Policy Advisor for Economic and Business Equity concerning progress of department's plan and implementation.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

2 Relating to equity in public procurements; creating new provisions; amending ORS 279B.065,
3 279B.070 and 279C.335; and prescribing an effective date.
4 Be It Enacted by the People of the State of Oregon:
5 **SECTION 1.** ORS 279B.065 is amended to read:
6 279B.065. (1) A contracting agency may award a [procurement of] **public contract** for goods or
7 services that does not exceed [$10,000] **a contract price of $25,000** in any manner the contracting
8 agency deems practical or convenient, including by direct selection or award. A contract awarded
9 under this section may be amended to exceed [$10,000] **$25,000** only in accordance with rules
10 adopted under ORS 279A.065.
11 (2) A state contracting agency that awards a public contract with a contract price of
12 $10,000 or more using a method permitted under this section shall document in the state
13 contracting agency's procurement file the actions the state contracting agency takes to

Benefits of the Proposed Changes

Increased Accessibility

Less complex processes make contracts accessible to more businesses

Faster Processing

Less complex lower-level dollar value procurements are processed faster

Workload Efficiencies

Procurement staff in agencies can focus attention on more complex procurements

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> **"**
> One of the biggest barriers to participating in the public procurement process, is the process itself

Feedback from small business (including COBID firms)

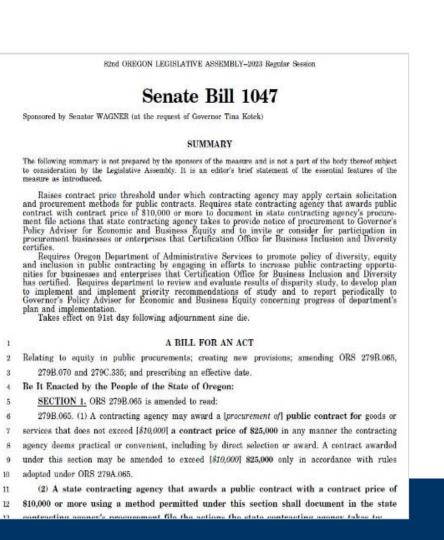# Proposed Changes Also Benefit Small Business

We believe that by opening up more contracting opportunities as small and intermediate solicitations, small business will find it easier to do business with the state and have greater access to public contracts

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What is New in Senate Bill 1047?

Directions to DAS on implementing disparity study results:

1 Review & evaluate recommendations of the disparity study

2 Develop a plan to implement the study's priority recommendations & implement the plan

3 Report to the Governor's Policy Advisor every six months on the plan's status

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Final Thoughts

These changes aren't something we do very often or in a vacuum

Proposed revisions better align the rigor of the procurement process to the risk level of the procurement

Procurement law changes over the years:

- Intermediate procurement threshold changed 20 years ago (2003)
- Small procurement threshold changed 10 years ago (2013)
- DAS increased procurement authority to agencies to $250k (2022)

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Questions?

Thank You

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