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March 31, 2023

TO: Chair Grayber, Vice-Chair Lewis, Vice-Chair Tran, and Members of the Committee

WRITTEN TESTIMONY IN OPPOSITION TO HB 3572

My name is Biko Taylor, Chief Procurement Officer for the City of Portland. I am testifying in opposition to HB 3572 as currently drafted.

HB 3572 presents a change to state contracting rules with significant potential to have negative consequences, both for public agencies and the broader business community in Oregon.

To be clear, the general scope of the bill, adding benefit companies as an allowable preference in contracting, is not of concern. Instead, our concern is related to the change in 279A.128(2)(a) from "may give preference" to "shall give preference."

The ramifications of this change are two-fold:

- 1. Subsection B gives preference to State of Oregon produced goods or provided services. By mandating a preference in this area, the State risks triggering reciprocal statutes in other States which would disfavor Oregon businesses in public contracting.
- Current statute allows for public agencies to give preference but does not require it. This allows
 for flexibility in the procurement process. It is our opinion that adding additional requirements
 without flexibility around applicability will have an overall negative impact and give preference
 to larger firms who are able to address the administrative burden these requirements would
 present.

Due to the potential negative consequences identified above, it is our position that the existing language in 279A.128(2)(a) should be retained or, at a minimum, made applicable only to the new provisions in Subsection A related to benefit companies.

Sincerely,

Biko Taylor

Chief Procurement Officer

City of Portland

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