



HB 2565 Contracting with National Labs

Background and Need for Legislation

The federal government carries out and supports research and development on a variety of topics. Often, this work is carried out by Federally Funded Research and Development Centers. Federally Funded Research and Development Centers are owned by the federal government and operated by contractors.

The U.S. Department of Energy's 16 National Laboratories are examples of Federally Funded Research and Development Centers. These labs are designed to carry out objective research and provide in-depth technical support and data – work that could be of value to state agencies working on energy and climate issues, including the Oregon Department of Energy.

Because of the unique structure of Federally Funded Research and Development Centers, the State of Oregon is unable to contract with them for research or technical support. The centers are limited in their ability to compete with the private sector and from responding to requests for proposals. Meanwhile under state law, Federally Funded Research and Development Centers are not treated as governmental entities, with whom contracts can be made without a selection process, but instead as private contractors. Private contractors must respond to requests for proposals and be part of a competitive consideration process.

The Oregon Department of Energy has been unable to contract with the U.S. Department of Energy's National Renewable Energy Laboratory or Pacific Northwest National Laboratory to carry out data collection, modelling, and research related to multiple ODOE projects, such as the state's Energy Security Plan or Energy Strategy because there was no pathway for Oregon to contract with them. Enabling contracting with the National Laboratories could support state activities to meet climate and energy goals through timely access to objective and rigorous data to inform policy discussions in the state.

Proposed Solution

Amend ORS 279A.025 (Application of Public Contracting Codes), Section 2 to include the Federally Funded Research and Development Centers as excluded from public contracting code. The state could use an intergovernmental agreement process instead.

Expected Fiscal Impact

None.

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