House Bill 4130

Sponsored by Representative KOTEK; Representatives BAILEY, BARNHART, BUCKLEY, DEMBROW, DOHERTY, FREDERICK, HOLVEY, HOYLE, KOMP, MATTHEWS, NATHANSON, READ, WITT (Presession 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 as introduced.

Provides that employee who separates from contracting agency, under specified conditions and for period of one year, may not seek or gain employment with contractor with which contracting agency entered into public contract.

Prohibits contracting agency from awarding public contract to bidder or proposer that will perform services at or from location outside United States. Requires contracting agency to include statement of prohibition in all invitations to bid, requests for proposals and contracts. Requires bidder or proposer to certify that bidder or proposer will perform services within United States. Prohibits contracting agency, under specified conditions, from accepting bid or proposal from

bidder or proposer that advised or assisted contracting agency concerning solicitation documents or materials related to public contract.

Requires bidder or proposer to make certain disclosures to federal or state agencies for purposes of equivalent price, rate and total cost of goods or services.

Permits employee, group of employees or labor organization that represents employees of contracting agency to seek judicial review under certain conditions for alleged violation of require-ments for goods and services procurements.

Requires state agencies and education service districts to make certain additional information concerning public contracts available on Oregon transparency website.

Requires Oregon University System to make solicitation documents for public contracts available on same electronic system Oregon Department of Administrative Services uses.

Becomes operative January 1, 2013.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to public contracting; creating new provisions; amending ORS 184.483, 279B.205, 279B.420, 2 3

279C.307 and 351.086; and declaring an emergency.

Be It Enacted by the People of the State of Oregon: 4

SECTION 1. Sections 2 and 3 of this 2012 Act are added to and made a part of ORS 5 chapter 279A. 6

7 SECTION 2. (1)(a) Except as provided in subsection (2) of this section, an employee of a

contracting agency who separates from the contracting agency may not, for a period of one 8

9 year after the employee's separation, seek or gain employment with a contractor with which

10 the contracting agency entered into a public contract if the employee:

(A) Worked directly on matters related to the public contract or in a field closely related 11 12 to the public contract; or

13 (B) Would have duties for the contractor that involve work related to the public contract. 14

(b) A contracting agency shall require an employee that separates from the contracting 15 16 agency to sign an agreement to abide by the conditions set forth in paragraph (a) of this subsection. The Oregon Department of Administrative Services by rule shall prescribe the 17

form and contents of the agreement. 18

(2) If a contracting agency enters into a public contract for services that an employee 19

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1 of the contracting agency performs and, as a result of entering into the public contract, the

2 contracting agency no longer employs the employee, the contracting agency shall require in

3 the terms of the public contract that the contractor offer to employ the employee to perform

4 services under the public contract under employment terms that are similar to the employ-

5 ment terms under which the contracting agency employed the employee.

6 <u>SECTION 3.</u> (1) A contracting agency may not award a public contract for services to a 7 bidder or proposer that will perform the services specified in the invitation to bid or request 8 for proposals at or from a location that is outside the United States.

9 (2) A contracting agency shall state in the invitation to bid or request for proposals that 10 the contracting agency is subject to the condition described in subsection (1) of this section 11 in awarding a public contract.

(3) A bidder or proposer for a public contract shall certify in the bid or proposal that the
 bidder or proposer will perform the services specified in the invitation to bid or request for
 proposals within the United States.

(4) A contracting agency shall require as a covenant in each public contract for services
that the contractor must perform the services specified in the contract within the United
States. The contract shall provide that if the contractor breaches the covenant, the contracting agency is entitled to any or all of the following remedies, as appropriate:

19 (a) To obtain liquidated damages in an amount specified in the contract;

20 (b) To obtain specific performance from the contractor; or

21 (c) To rescind or terminate the contract.

(5) A contracting agency may commence and maintain an action in a circuit court of this state to seek a remedy for a breach of the covenant described in subsection (4) of this section. The court shall award reasonable attorney fees and costs to a contracting agency that prevails in the action.

(6) The provisions of subsections (1) to (5) of this section do not apply if the contracting
 agency determines that complying with the provisions of subsections (1) to (4) of this section
 would violate:

29 (a) A provision of federal law; or

30 (b) A provision of an international treaty or trade agreement to which this state is a 31 party or to which this state has agreed to be bound.

SECTION 4. Section 5 of this 2012 Act is added to and made a part of ORS chapter 279B. 32SECTION 5. (1) A contracting agency that procures personal services for the purpose of 3334 advising or assisting the contracting agency in developing specifications, a scope or state-35 ment of work, an invitation to bid, a request for proposals or other solicitation documents and materials related to a procurement may not accept from the contractor, or an affiliate 36 37 of the contractor that advised or assisted the contracting agency, a bid or proposal for the 38 goods or services described, specified or identified in the solicitation documents or materials if a reasonable person would believe that by giving the advice or assistance the contractor 39 or the affiliate would have an advantage in obtaining the public contract that is the subject 40 of the solicitation. 41

(2) As used in this section, "affiliate" means a person that, directly or indirectly through
one or more intermediaries, controls, is controlled by or is under common control with the
contractor described in subsection (1) of this section.

45 **SECTION 6.** ORS 279B.205 is amended to read:

279B.205. (1) [Consistent with ORS 279A.015, specifications must] A contracting agency's 1 2 specification for a procurement must be consistent with ORS 279A.015 and must: (a) Seek to promote optimal value and suitability for the contracting agency's purposes in 3 4 conducting the procurement; and (b) [intended and to] Reasonably encourage competition in satisfying a contracting agency's $\mathbf{5}$ needs. 6 (2) Subject to ORS 279B.405, the contracting agency alone has the discretion to determine 7 the contents of the specification [content must be determined in the sole discretion of the contracting 8 9 agency]. (3)(a) The contracting agency, in the solicitation documents and materials related to a 10 procurement, shall require a bidder or proposer to disclose in a bid or proposal the price, 11 12 rate and total cost of goods or services: 13 (A) That are similar to the goods or services described or identified in the solicitation documents and specification; and 14 15 (B) That the bidder or proposer provides or offers to provide to the federal government or a federal agency, to another state government or to an agency or political subdivision of 16 17 this or another state. 18 (b) The contracting agency shall deem a bid or proposal that does not include the disclosures required under paragraph (a) of this subsection to be not responsive to the solic-19 itation for the procurement and may not consider the bid or proposal for a contract award. 20SECTION 7. ORS 279B.420 is amended to read: 2122279B.420. (1) If a contracting agency allegedly violates a provision of ORS chapter 279A and a judicial remedy is not otherwise available under ORS chapter 279A, 279B or 279C, the alleged vio-23lation is subject to judicial review only as provided in this section. 24(2) If a contracting agency allegedly violates a provision of this chapter, except a provision of 25ORS 279B.030, 279B.033, 279B.036, 279B.270, 279B.275, 279B.280 or 279B.400 to 279B.425, and a ju-2627dicial remedy is not otherwise provided in this chapter or ORS chapter 279A, the alleged violation is subject to judicial review only as provided in this section. 28(3) A person may seek judicial review under this section for a violation described in subsection 2930 (1) or (2) of this section only if: 31 (a) A public contract is about to be awarded or has been awarded; (b) The alleged violation of a provision of this chapter or ORS chapter 279A, except a provision 32of ORS 279B.030, 279B.033, 279B.036, 279B.270, 279B.275, 279B.280 or 279B.400 to 279B.425, occurred 33 34 in the procurement process for the public contract and the alleged violation resulted in or will re-35 sult in an unlawful award of a contract or an unlawful failure to award the contract; (c) The alleged violation deprived the person of the award of the contract or deprived the person 36 37 of the opportunity to compete for the award of the contract; 38 (d) The person was qualified to receive the award of the contract under ORS 279B.110; (e) The person gave written notice that described the alleged violation to the contracting agency 39 not later than 10 days after the date on which the alleged violation occurred and, regardless of when 40 the alleged violation occurred, not later than 10 days after the date of execution of the contract; 41 (f) The person has exhausted all administrative remedies the contracting agency provides; and 42 (g)(A) The alleged violation is a violation of a provision of ORS chapter 279A and no other 43 section of ORS chapter 279A, 279B or 279C provides judicial review; or 44

45 (B) The alleged violation is a violation of a provision of this chapter, except a provision of ORS

1 279B.030, 279B.033, 279B.036, 279B.270, 279B.275, 279B.280 or 279B.400 to 279B.425, and no other 2 section of this chapter or ORS chapter 279A provides judicial review.

3 (4) An employee or a group of employees of a contracting agency or a labor organization
4 that is an exclusive representative, as defined in ORS 243.650, of the employee or group, may
5 seek judicial review under this section for a violation of ORS 279B.030, 279B.033 or 279B.036
6 only if:

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(a) A public contract is about to be awarded or has been awarded;

8 (b) The alleged violation of a provision of ORS 279B.030, 279B.033 or 279B.036 occurred in
9 the procurement process for the public contract and the alleged violation resulted in or will
10 result in an unlawful award of a contract;

(c) The alleged violation deprived the employee or the group of employees of a job or
 work opportunity or of jobs or work opportunities, will reduce work hours or will otherwise
 adversely affect the terms and conditions of the employee's or group's employment;

(d) The employee, group or labor organization gave written notice that described the alleged violation to the contracting agency not later than 10 days after the date on which the alleged violation occurred and, regardless of when the alleged violation occurred, not later than 10 days after the date of execution of the contract;

(e) The employee, group or labor organization has exhausted all administrative remedies
 the contracting agency provides; and

(f) The alleged violation is a violation of a provision of ORS 279B.030, 279B.033 or 279B.036
 and no other section of ORS chapter 279A, 279B or 279C provides judicial review.

[(4)] (5) If a state contracting agency allegedly commits a violation, the Circuit Court for Marion County or the circuit court for the county in which the principal offices of the state contracting agency are located may review the alleged violation under ORS 183.484.

[(5)] (6) If a local contracting agency allegedly commits a violation, the circuit court for the county in which the principal offices of the local contracting agency are located may review the alleged violation by means of a writ of review under ORS chapter 34.

[(6)] (7) If a person gives the notice required under subsection (3)(e) or (4)(d) of this section and 28timely seeks judicial review under this section, the contracting agency may not execute the contract 2930 unless the contracting agency determines that a compelling governmental interest exists in pro-31 ceeding or that the goods and services are urgently needed. A contracting agency that makes such a determination shall set forth in writing the reasons for the determination and immediately provide 32the reasons to the person who filed the challenge. Thereafter, after joining the prospective con-33 34 tractor as a party to the litigation and upon motion by the person who filed the challenge, the court may nonetheless stay the performance of the contract if the court finds that the contracting 35 agency's determination that a compelling governmental interest exists in proceeding with contract 36 37 execution, or the contracting agency's determination that the goods or services were urgently 38 needed, was not supported by substantial evidence or constituted a manifest abuse of discretion. In granting a stay, the court may require the person who sought the stay to post a bond in an amount 39 40 sufficient to protect the contracting agency and the public from costs associated with a delay in contract performance. 41

42 [(7)] (8) In a review, the circuit court shall give due deference to any factual contracting deci-43 sion the contracting agency made and may not substitute the court's judgment for the contracting 44 agency's judgment. The court shall review all questions of law de novo. Thereafter:

45 (a) If a contract has not been executed and the court rules in favor of the person that sought

1 judicial review, and if the violation could have affected the award of the contract, the court shall

2 remand the procurement to the contracting agency for a determination whether to continue with the 3 procurement process in light of the court's decision.

4 (b) In addition to the relief provided for in paragraph (a) of this subsection, if a contract has 5 been executed and the court rules in favor of the person that sought judicial review, the court shall 6 include in the court's order a determination whether the party that signed the contract with the 7 contracting agency is entitled to reimbursement under the conditions of, and calculated in the same 8 manner as provided in, ORS 279C.470. Notwithstanding that ORS 279C.470 otherwise applies only 9 to public improvement contracts, under this paragraph the court shall apply ORS 279C.470 to both 10 public improvement contracts and other public contracts of contracting agencies.

11 (c) The court may award costs and attorney fees to the prevailing party.

12 **SECTION 8.** ORS 279C.307 is amended to read:

13 279C.307. (1) Except as provided in subsection (2) of this section, a contracting agency that 14 procures personal services for the purpose of advising or assisting the contracting agency in 15 developing specifications, a scope or statement of work, an invitation to bid, a request for 16 proposals or other solicitation documents or materials related to a procurement or for the 17 purposes of administering, managing, monitoring, inspecting, evaluating compliance with or other-18 wise overseeing a public contract that is subject to this chapter may not:

(a) Accept from the contractor, or an affiliate of the contractor that advised or assisted
the contracting agency, a bid or proposal for the public improvement, public works or construction services that are described, specified or identified in the solicitation documents or
materials if a reasonable person would believe that by giving the advice or assistance the
contractor or the affiliate would have an advantage in obtaining the public contract that is
the subject of the solicitation;

[(a)] (b) Procure the personal services from a contractor or an affiliate of a contractor who is
a party to the public contract that is subject to administration, management, monitoring, inspection,
evaluation or oversight by means of the personal services; or

[(b)] (c) Procure the personal services through the public contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the personal services.

(2) Subsection (1) of this section does not apply to a procurement that qualifies as a construction
 manager/general contractor procurement or a design-build procurement, both as defined in [OAR
 125-249-0610 or 137-049-0610] rules adopted under ORS 279A.065.

(3) As used in this section, "affiliate" means a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the contractor that provides the personal services described in subsection [(1)(a)] (1) of this section.

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SECTION 9. ORS 184.483 is amended to read:

184.483. (1) The Oregon Department of Administrative Services shall develop and make available an Oregon transparency website. The website [shall] **must** allow any person to view information that is a public record and not exempt from disclosure under ORS 192.410 to 192.505, including but not limited to information described in subsection (3) of this section.

(2) State agencies and education service districts, to the extent practicable and subject to laws
relating to confidentiality, when at no additional cost, using existing data and existing resources of
the state agency or education service district and without reallocation of resources, shall:

45 (a) Furnish information to the Oregon transparency website by posting reports and providing

links to existing information system applications in accordance with standards established by the 1 Oregon Department of Administrative Services; [and] 2 (b) Provide the information in [the] a downloadable file format [and] that commonly used 3 software applications can open and view, and in any other manner [required by] that the Oregon 4 Department of Administrative Services requires[.]; and 5 (c) Update the information at least twice each calendar year and at least four times each 6 biennium, during which time the state agency shall also remove or delete information that 7 is obsolete or no longer accurate. 8 9 (3) To the extent practicable and subject to laws relating to confidentiality, when at no addi-10 tional cost, using existing data and existing resources of the state agency or education service district and without reallocation of resources, the Oregon transparency website shall contain 11 12 information about each state agency and education service district, including but not limited to: 13 (a) Annual revenues of state agencies and education service districts; (b) Annual expenditures of state agencies and education service districts; 14 (c) Annual human resources expenses, including compensation, of state agencies and education 15 service districts; 16 (d) Annual tax expenditures of state agencies, including, [when possible] to the extent the in-17 formation is not required by law to be confidential, the identity of the recipients of each tax 18 expenditure and a list of the businesses that received tax credits, deductions, refunds, rebates 19 or other subsidies from the state agency; 20(e) Contracting and subcontracting information, to the extent allowed by law, [of] for each 2122public contract that a state [agencies and] agency or education service [districts] district enters into, [to the extent allowed by law,] including but not limited to information entered into sepa-23rate fields that facilitate retrieval and organization by each component of the following cat-24 egories: 25(A) The state agency's or education service district's authorized expenditure limitation 2627for the contract and for any amendments to the contract; (B) The actual amount the state agency or education service district expended for the 28contract and for any amendments to the contract; 2930 (C) The date on which the state agency or education service district entered into the 31 contract, the dates on which the state agency or education service district amended the contract, and the date on which the contract ended; and 32(D) The name, street address and state of residence for each contractor and subcon-33 34 tractor; 35 (f) A prominently placed graphic representation of the primary funding categories and **the** approximate number of individuals [served by] the state agency or the education service district 36 37 serves: 38 (g) A description of the mission, function and program categories of the state agency or education service district; 39 (h) Information about the state agency from the Oregon Progress Board; 40 (i) A copy of any audit report issued by the Secretary of State for the state agency or of any 41 audit reports issued for the education service district; 42 (j) The local service plans of the education service districts; 43 (k) A copy of each report required by statute for education service districts; and 44

45 (L) A copy of all notices of public meetings of the education service districts.

1 (4) In addition to the information described in subsection (3) of this section, each state agency 2 shall post on the Oregon transparency website notices of public meetings required to be provided 3 by the state agency under ORS 192.640.

4 (5) In creating, operating, refining and recommending enhancements to the Oregon transparency 5 website, the Oregon Department of Administrative Services and the Transparency Oregon Advisory 6 Commission created in ORS 184.486 shall consider and, to the extent practicable, adhere to the fol-7 lowing principles:

8 (a) The website must be accessible without cost and be easy to use;

9 (b) Information included on the Oregon transparency website must be presented using plain, 10 easily understandable language; and

(c) The website should teach users about how state government and education service districts
work and provide users with the opportunity to learn something about how state government and
education service districts raise and spend revenue.

(6) If a state agency or an education service district is not able to include information described in this section on the Oregon transparency website because of the lack of availability of **the** information or cost in acquiring [*it*] **the information**, the Transparency Oregon Advisory Commission created in ORS 184.486 shall list the information that is not included for that state agency or education service district in the commission's report to the Legislative Assembly required under ORS 184.486.

20 SECTION 10. ORS 351.086 is amended to read:

351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions 2122of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291 and 292 and ORS 23180.060, 180.160, 180.210, 180.220, 180.225 and 180.230 do not apply to the Oregon University System. (2)(a) Notwithstanding subsection (1) of this section, ORS 182.100, 182.109, 240.167, 276.073 to 24276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810, 25279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870, 2627283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6), 291.226, 291.272 to 291.278, 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043 and 292.044 apply to the Oregon University 2829System.

(b) Notwithstanding subsection (1) of this section, the Oregon University System shall
 make all specifications, scopes or statements of work, invitations to bid, requests for pro posals or other solicitation documents and materials related to a procurement for a public
 contract publicly available by means of the same electronic system that the Oregon Depart ment of Administrative Services uses to solicit public contracts.

(3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456 apply to any structure,
 equipment or asset owned by the Oregon University System that is encumbered by a certificate of
 participation.

(4) Notwithstanding subsection (6) of this section:

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(a) The provisions of ORS chapters 35, 190, 192, 244, 286A, 295 and 297 and ORS 30.260 to 30.460,
184.480, 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160
to 200.200, 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945,
307.090 and 307.112 apply to the Oregon University System under the same terms as they apply to
other public bodies other than the State of Oregon.

(b) The provisions of ORS 293.115, 293.117, 293.130, 293.169, 293.171, 293.205 to 293.225, 293.250,
293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490,

1 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to the Oregon University

2 System under the same terms as they apply to state agencies with moneys held by the State Treas-

urer, to the Oregon University System Fund established in ORS 351.506 and to any other moneys
deposited with or held by the State Treasurer for the Oregon University System.

5 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System and its

agents and employees remain subject to all statutes and administrative rules of this state that create
rights, benefits or protections in favor of military veterans, service members and families of service
members to the same extent as an agency of this state would be subject to such statutes and administrative rules.

(6) The Oregon University System, as a distinct governmental entity, is not subject to any pro vision of law enacted after January 1, 2011, with respect to any governmental entity, that is unique
 to governmental entities, unless the provision specifically provides that it applies to the Oregon
 University System.

(7) In carrying out the duties, functions and powers imposed by law upon the Oregon University
System, the State Board of Higher Education or the Chancellor of the Oregon University System
may contract with any public agency for the performance of such duties, functions and powers as
the board or chancellor considers appropriate.

18 <u>SECTION 11.</u> (1) Sections 2, 3 and 5 of this 2012 Act and the amendments to ORS 19 279B.205, 279B.420, 279C.307 and 351.086 by sections 6, 7, 8 and 10 of this 2012 Act become 20 operative January 1, 2013.

(2) The Director of the Oregon Department of Administrative Services, the Attorney 2122General or a contracting agency that adopts rules under ORS 279A.065 may take any action before the operative date specified in subsection (1) of this section that is necessary to enable 23the director, the Attorney General or the contracting agency to exercise, on and after the 24operative date specified in subsection (1) of this section, all of the duties, functions and 25powers conferred on the director, the Attorney General or the contracting agency by 2627sections 2, 3 and 5 of this 2012 Act and the amendments to ORS 279B.205, 279B.420, 279C.307 and 351.086 by sections 6, 7, 8 and 10 of this 2012 Act. 28

<u>SECTION 12.</u> (1) Sections 2, 3 and 5 of this 2012 Act and the amendments to ORS 279B.205, 279B.420, 279C.307 and 351.086 by sections 6, 7, 8 and 10 of this 2012 Act apply to public contracts that a contracting agency advertises or otherwise solicits on or after the operative date specified in section 11 of this 2012 Act or, if the contracting agency does not advertise or otherwise solicit the public contract, to a public contract that the contracting agency enters into on or after the operative date specified in section 11 of this 2012 Act.

(2) Section 2 of this 2012 Act applies to employees of contracting agencies whose sepa ration from employment takes effect on or after the operative date specified in section 11
 of this 2012 Act.

(3) The amendments to ORS 184.483 by section 9 of this 2012 Act apply to information
related to public contracts that a state agency or education service district enters into and
tax expenditures that a state agency provides before, on or after the operative date specified
in section 11 of this 2012 Act. A state agency or education service district subject to ORS
184.483 shall provide or update the information required under ORS 184.483 as soon as is
practicable after the effective date of this 2012 Act.

44 <u>SECTION 13.</u> This 2012 Act being necessary for the immediate preservation of the public 45 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect $HB\ 4130$

- 1 on its passage.
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