HB 2345-3 (LC 2540) 3/21/13 (BLS/ps)

## PROPOSED AMENDMENTS TO HOUSE BILL 2345

1 On <u>page 1</u> of the printed bill, delete lines 4 through 31 and delete <u>page</u> 2 <u>2</u> and insert:

**SECTION 1.** The Legislative Assembly finds that:

4 "(1) Adequate public infrastructure systems are essential to a vi-5 brant economy. Oregon's needs for many kinds of infrastructure de-6 velopment cannot be met using traditional development and financing 7 methods. To close an expected multibillion dollar investment gap for 8 the development of critical public infrastructure and to secure a sound 9 and resilient economy, Oregon must attract innovation in design, fi-10 nancing and asset management.

"(2) Some public infrastructure projects require expertise in identi-11 fying, procuring, negotiating and implementing projects using a 12performance-based, life-cycle value method. To properly utilize, man-13 age and implement such a method and to ensure that the public in-14 terest is protected through effective risk mitigation, Oregon must 15establish a center of expertise that will allow this state to take ad-16 vantage of opportunities for innovation, innovative financing and re-17 gional infrastructure development while minimizing public risk and 18 maximizing the value obtained for taxpayer dollars. The design and 19 implementation of such a center of expertise should draw from suc-20cessful models that incorporate the flexibility and agility necessary to 21succeed while preserving public transparency, accountability and 22

1 exemplary contracting attributes.

"(3) To create an attractive marketplace that will draw high bidder quality and competition, the western states need to be established as a marketplace for innovative infrastructure financing. This is best accomplished through regional collaboration to establish best practices, coordinate interstate projects, and increase visibility of regional projects.

8 "SECTION 2. (1) The Oregon Innovation in Infrastructure Task
9 Force is established, consisting of 10 members appointed as follows:

"(a) The President of the Senate shall appoint two members from
 among members of the Senate.

"(b) The Speaker of the House of Representatives shall appoint two
 members from among members of the House of Representatives.

14 "(c) The Governor shall appoint four members as follows:

"(A) One member with experience in critical infrastructure devel opment and maintenance;

"(B) One member with experience in private capital investment
 opportunities and strategies;

"(C) One member with experience in managing public project de velopment, delivery methods and financing; and

"(D) One member who has participated in regional discussions and
 collaborations regarding west coast infrastructure status and needs.

"(d) The Governor's Regional Solutions Director shall appoint one
 member who represents the team members of the Regional Solutions
 Centers.

"(e) The State Treasurer shall appoint one member who represents
 the State Treasurer.

"(2) The task force shall make recommendations to the Legislative
 Assembly regarding:

30 "(a) Participation in a west coast infrastructure exchange effort

that partners with innovators in other states and regions on the west 1 coast to assess the status of existing infrastructures and to establish  $\mathbf{2}$ a west coast marketplace for innovation in infrastructure develop-3 ment, construction, financing and delivery of overall life-cycle value. 4 The task force shall seek innovative methods to develop and imple- $\mathbf{5}$ ment critical infrastructure projects, including but not limited to 6 projects involving energy transmission and efficiency, transportation, 7 water storage capacity, municipal water systems and wastewater 8 management. The task force shall consider necessary financial, policy 9 and other expertise from Oregon and other jurisdictions and develop 10 guidelines for parity of participation. 11

"(b) Strategies for the creation, funding, function and governance
 of an Oregon public corporation or other structure that will be a cen ter of expertise to encourage and implement innovative practices, in cluding:

16 "(A) Performance-based contracting;

17 "(B) Procurement for highest life-cycle value;

18 "(C) Negotiated risk transfer to private participants;

<sup>19</sup> "(D) Combination of public and private construction capital; and

20 "(E) Grouping of projects for efficiency in design, construction, fi-21 nancing and maintenance.

"(c) Effective utilization of methods and tools that will obtain the
 best value from public expenditures for public infrastructure by:

"(A) Encouraging innovation in design, delivery, construction, and
 financing;

"(B) Providing greater access to sources of capital not currently
 available for Oregon projects;

"(C) Transferring risks associated with the design, construction,
 financing, and long-term performance of infrastructure to parties or
 entities that are best able to manage the risk with economic effi-

1 ciency;

2 **"(D) Ensuring competition;** 

"(E) Combining similar projects for ease of financing and economies
of scale;

"(F) Providing for the long-term performance of infrastructure fa cilities through the use of well-structured maintenance contracts that
 have scheduled costs and that reflect exemplary contracting standards;

8 "(G) Accelerating the delivery of projects; and

"(H) Preserving the economic, workforce, and community benefits
of infrastructure projects through the application of contracting and
sustainability standards, and policies, relating to prevailing wages,
emerging small businesses, women and minorities.

"(d) The responsibilities of the center of expertise, including but not
 limited to providing services to enhance, improve and maintain critical
 infrastructure systems in Oregon and on the west coast by:

16 "(A) Bundling similar critical infrastructure projects;

"(B) Creating performance-based partnerships to manage projects
 more efficiently;

"(C) Collecting consistent, comprehensive and high quality data
 regarding existing infrastructure systems and potential infrastructure
 enhancements and development;

22 "(D) Collaborating with industry experts and innovators;

"(E) Providing technical assistance to design and finance critical
 infrastructure projects; and

"(F) Creating and implementing new mechanisms and strategies for
 financing critical infrastructure projects, including but not limited to
 attracting private investors that have traditionally not invested in
 public infrastructure.

(e) A data platform that will help Oregon to identify, inventory and
 publicize potential infrastructure projects, and to facilitate consulta-

1 tion among project sponsors and funding program managers.

2 "(3) A majority of the members of the task force constitutes a 3 quorum for the transaction of business.

4 "(4) Official action by the task force requires the approval of a
5 majority of the members of the task force.

6 "(5) The task force shall elect one of its members to serve as 7 chairperson.

"(6) If there is a vacancy for any cause, the appointing authority
shall make an appointment to become immediately effective.

"(7) The task force shall meet at times and places specified by the
 call of the chairperson or of a majority of the members of the task
 force.

"(8) The task force may adopt rules necessary for the operation of
the task force.

"(9) The task force shall submit a report in the manner provided 15 by ORS 192.245, and shall include in the report the task force's rec-16 ommendations required under subsection (2) of this section, to the 17 interim committees of the Legislative Assembly related to 18 infrastructure and business development, as appropriate, no later than 19 October 1, 2013. 20

"(10)(a) The State Treasurer and the Oregon Department of Ad ministrative Services shall provide staff support to the task force.

(b) The department shall facilitate, manage and direct consultation
 among state agencies with respect to infrastructure needs and fund ing.

"(11) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the task force shall be paid out of funds appropriated to the Oregon Department of Administrative Services for
purposes of the task force.

"(12) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.

"SECTION 3. Section 2 of this 2013 Act is repealed on June 30, 2014.
"SECTION 4. This 2013 Act being necessary for the immediate
preservation of the public peace, health and safety, an emergency is
declared to exist, and this 2013 Act takes effect on its passage.".

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