

## **SB 442 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 1/24, 3/2, 3/7

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#### **WHAT THE MEASURE DOES:**

Allows contracting agency to grant preference to procuring goods or services for a public use that are fabricated, processed, or have services performed in Oregon when the goods or services cost not more than five percent goods not processed or fabricated, or services not performed, in Oregon and the contracting agency can determine that the higher priced procurement offsets environmental costs attributable to transporting out of state goods or services. Operative on January 1, 2024. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Measure is not intended to include construction materials
- Impact on procurement process
- Carbon impact of transporting goods to Oregon
- Examples of application of measure

#### **EFFECT OF AMENDMENT:**

-1 Exempts public improvement contracts or contracts for public works that contracting agency procures under ORS chapter 279C, or contract for goods that contracting agency procures in connection with public improvement contract or contract for public works, from specified procurement preferences.

#### **BACKGROUND:**

Public contracting is governed by the Public Contracting Code (Code) contained in ORS Chapter 279A, 279B, and 279C. Several government entities are exempted from the Code, including the judicial and legislative department. Generally, a contracting agency awards contracts to the lowest bidder or best proposer. However, the Code contains provisions allowing contracting agencies to give preference in certain circumstances.

Currently, a contracting agency may grant preference in the procurement of goods or services for a public use that are fabricated, processed, or have services performed in Oregon, when the cost is not more than ten percent greater than the out of state goods. Senate Bill 442 expands this provision by adding a provision allowing a contracting agency to grant preference in the procurement of goods or services for a public use that are fabricated, processed, or have services performed in Oregon when the cost is not more than five percent greater than the goods not processed or fabricated, or services not performed, in Oregon and the contracting agency determines that the cost offsets environmental costs attributable to the transportation of out of state goods or services.