

SB 1048 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Action Date: 04/04/23

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Vote: 4-1-0-0

Yeas: 4 - Hansell, Jama, Patterson, Taylor

Nays: 1 - Bonham

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/23, 4/4

WHAT THE MEASURE DOES:

Directs Oregon Department of Transportation (ODOT) to establish small business development program to aid qualified small businesses to compete for ODOT public improvement contracts. Specifies requirements for program and establishes criteria to be considered a "qualified small business." Specifies that ODOT will solicit specified public improvement contract bids or proposals only from qualified small businesses. Directs ODOT to evaluate bids and proposals from, and award public improvement contracts to, qualified small businesses based on best value to Oregon. Directs ODOT to establish committee to advise ODOT on small business development program. Requires ODOT to report to Legislative Assembly by December 31 of each year and specifies contents of report. Provides exemption from competitive bidding requirement for ODOT public improvement contracts awarded under the program. Operative on January 2, 2024. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Oregon Department of Transportation (ODOT) is tasked with building, maintaining, and improving Oregon's transportation system
- ODOT spends approximately \$600 million annually on construction contracts
- Measure increases contracting opportunities to small and emerging businesses

EFFECT OF AMENDMENT:

Renames program to small business development program. Modifies criteria to be considered a "qualified small business." Specifies that Oregon Department of Transportation (ODOT) will solicit specified public improvement contract bids or proposals only from qualified small businesses. Modifies support requirements that ODOT must provide to qualified small businesses in preparing and submitting bids or proposals. Directs ODOT to evaluate bids and proposals from, and award public improvement contracts to, qualified small businesses based on best value to Oregon. Directs ODOT to establish committee to advise ODOT on small business development program.

BACKGROUND:

The Oregon Department of Transportation (ODOT) maintains several programs related to Oregon's systems of travel, such as roads, highways, railways, driver and vehicle licensing, and public transportation services. ODOT operates several transportation-related public improvement projects around the state, including paving and road improvements. ODOT maintains resources for small businesses to engage in procurement activities on ODOT projects.

The Certification Office for Business Inclusion and Diversity maintains an Emerging Small Business (ESB) certification. The ESB certification is for Oregon small businesses seeking opportunities for state, county, and city government and special jurisdiction contracts. This certification program is based on the size of the business and

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businesses are limited to twelve years of participation.

Senate Bill 1048 A directs ODOT to establish a small business development program to aid qualified small businesses in competing for ODOT public improvement contracts. The measure also specifies requirements for this program and establishes criteria for a business to be considered a "qualified small business."