



SCAPPOOSE
Oregon

March 6, 2023

Senator Kathleen Taylor, Chair
Senator Daniel Bonham, Vice-Chair
Senate Committee on Labor and Business
900 Court Street NE, Room B
Salem, OR 97301

Dear Chair Taylor, Vice-Chair Bonham, and Members of the Committee,

The City of Scappoose strongly opposes Senate Bill 850. SB 850 will result in project delays and further increased costs for our critical infrastructure projects funded by the American Rescue Plan Act (ARPA).

The City was the recipient of \$13.6 million in ARPA funds, appropriated by the Oregon Legislature during the 2021 Legislative Session. Those funds are for eight separate water and wastewater infrastructure projects, most of which are at various stages of the engineering design process. Six of the projects are anticipated to exceed the proposed threshold of \$1 million and use at least \$750,000 of ARPA funds, therefore, if passed, SB 850 jeopardizes our ability to deliver these necessary infrastructure improvements.

In the last year alone, City of Scappoose staff has witnessed substantial increases in the cost to engineer and construct the ARPA-funded projects. Furthermore, as a small agency, attracting consultants and contractors to bid or propose on City projects has been a long-standing challenge which has been exacerbated by labor availability, inflation, and supply chain disruptions, resulting in delays and higher costs. SB 850 would add further strain to these conditions, by decreasing the pool of available contractors and increasing project costs. Oregon's small and rural local governments desperately need the Oregon Legislature to explore how to lower public contracting costs.

We respectfully urge the committee to fully consider the impact that SB 850 will have on our State's small and rural communities' ability to effectively deploy ARPA funds and maximize the benefit for our communities. The City of Scappoose strongly urges the committee to vote **no** on SB 850.

Sincerely,

Joe Backus
Mayor

Alexandra Rains
City Manager

Dave Sukau
Public Works Director