



**Testimony by City of Wilsonville Mayor Julie Fitzgerald Opposing SB 850-2:**

***Proposed Legislation Creates an Unfunded Mandate by Adding Costly Demands on Cities when Undertaking Public Contracting Improvements***

Scheduled for public hearing on March 21, 2023, before the  
Senate Committee On Labor and Business

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

On behalf of the City of Wilsonville, I am testifying in opposition to SB 850-2. While well-intentioned, SB 850 has the effect of the State placing unfunded mandates on Local Governments that will result in higher costs and delays in project implementation.

**Requiring public contracts go to firms with project labor agreements (PLAs) will both slow the pace of project implementation and result in higher costs.** Roughly 20% of the contracting firms in Oregon have these agreements currently, lowering the available pool of contractors for projects, which based on principles of supply-and-demand will result in higher contracting costs for the public and delays in project implementation due to a small pool of potential contractors.

A city that uses an alternative labor standard when awarding contracts can be subject to award protests. A simple protest could take a month to resolve, and a full legal challenge in court could take over a year. All of this results in project delivery delays and higher costs.

Off-ramps in the bill are available but only upon the approval of the Department of Administration Services, a state agency that is unfamiliar with the contracting market or local governments' project timing and urgency.

Oregon is in a declared homelessness state of emergency and an ongoing housing crisis that requires cities and other local governments to build and upgrade infrastructure. Adding contracting requirements is counter to our shared goal of alleviating housing constraints.

In addition to creating barriers to public improvements, SB 850 is unnecessary. The projects covered under the bill will be paying prevailing wage and fringe benefits, which were recently increased after the calculation methodology was changed in 2021.

The City of Wilsonville respectfully urges the committee to table SB 850-2. Thank you.

Sincerely,

Julie Fitzgerald, Mayor  
City of Wilsonville