

February 19, 2024

Joint Committee on Ways and Means  
Subcommittee on General Government  
Oregon Legislative Assembly

Dear Co-Chairs Patterson and Smith and members of the Joint Committee on Ways and Means Subcommittee on General Government,

Thank you for the opportunity to answer the question posed during the public universities' Apprenticeship Report presentation to your committee on February 7, 2024.

Representative Reschke asked about the number of contracts for university construction projects awarded to contractors from outside of the region due to the apprenticeship requirement. This requirement, established for qualifying university construction projects under SB 5721 (2020, 2nd Special Session), SB 5505 (2021), SB 5701 (2022), and HB 5005 (2023), mandates that public universities require all contractors with contracts that are equal to or greater than \$200,000 to employ apprentices to perform 15% of the total work hours performed by workers in apprenticeable occupations.

As Jason Franklin, Associate Vice President of Planning, Construction & Real Estate at Portland State University, mentioned during the presentation, the ability of universities and construction manager/general contractor (CM/GC) firms to find local contractors that can meet the apprenticeship requirement varies by region. As a result, the seven public universities have responded individually to the representative's inquiry, as provided below:

**Eastern Oregon University**

Qualifying Project: Inlow Hall Renovation, Phase II

“Due to the apprenticeship requirement the Construction Manager/General Contractor (CMGC) firm conducted an extensive bid solicitation outreach across the Pacific Northwest to include ‘apprenticeship rich’ areas. Through December 2024, around 400 bidders expressed some level of interest for the 11 bid packages that were estimated costs to be \$200,000 or greater. A total of 28 bids were received for those 11 bid packages, of which 6 bid packages received fewer than three (3) bids, with 3 bid packages receiving one lone bid. Of the 11 subcontracts in excess of \$200,000 executed by January 2024, 2 contractors are from eastern Oregon, 3 contractors are from western Oregon, 1 contractor is from the State of Idaho, 1 contractor is from the State of California, and 4 contractors are from the State of Washington.”

**Oregon Institute of Technology**

Qualifying Projects: Boivin Hall Rehabilitation; Geothermal System Emergency Renovation

“A total of nine contractors, including the general contractor, were engaged over the course of the Boivin Hall Rehabilitation project. Three contractors were from the Klamath Falls area. An additional three vendors, including the project’s general contractor, were from the southern Oregon region. A total of six contractors were from the combined southern Oregon region and Klamath Falls area. The three remaining contractors were from other parts of the state. One of the challenges in Klamath Falls and southern Oregon is receiving a robust response from qualified firms who are able to meet project budgets as well as apprenticeship requirements. Oregon Tech is committed to meeting these requirements and continues to publish its public improvement opportunities throughout the state using a combination of the TRU’s collective public procurement website and multiple builder exchanges.”

**Oregon State University**

Qualifying Projects: Patricia Valian Reser Center for the Creative Arts; Cordley Hall Renovation, Phase II; Cascades Student Success Center; Jen-Hsun and Lori Huang Collaborative Innovation Complex

“Our general contractors report fulfilling the subcontracting apprenticeship requirements within the region with few exceptions.”

**Portland State University**

Qualifying Projects: Vernier Science Center; Gateway Art+Design Project

“PSU had zero contracts outside the region.”

**University of Oregon**

Qualifying Projects: Huestis Hall Renovation; Heritage Buildings Renovation; Friendly Hall Renovation

“There are a wide variety of reasons that general contractors look outside of the Mid-Willamette Valley region for subtrade contractors. This makes it impossible to determine which contractors were sought from outside of the region specifically due to the apprenticeship requirement. The general contractor for the Heritage Hall project was unable to isolate the apprenticeship requirement from the other reasons driving them to look outside of the region for subtrade contractors. The current general contractor for the Huestis Hall project did not participate in the bidding process due to a change in contractors on the project, so they were unable to answer the question. Work is not yet underway on the Friendly Hall project, so there are no relevant contractors to include.”

**Western Oregon University**

Qualifying Project: Student Success Center

“Western Oregon University's location 10 miles west of Salem, Oregon in the middle of the Willamette Valley means that contractors and architects from Portland to Eugene are engaged in our contracting opportunities and we did not have to reach outside of the region or area for additional service providers to meet the apprenticeship requirements.”

Please let us know if you have any other questions.

Thank you.

Sincerely,

Johnmartin Sherman-Lewis  
Budget and Research Director  
Oregon Council of Presidents