



February 19, 2024

Chair Kathleen Taylor
Vice-Chair Daniel Bonham
Members of the Senate Committee on Business and Labor

Re: HB 4006

Chair Taylor & Members of the Business and Labor:

As you know, Washington County is the second largest county in the state of Oregon by population, with over 600,000 people residing within the County. Since 1990, the county's population has nearly doubled in size, most recently our population has grown at a rate equivalent to 19 people moving in every day. This growth has made us one of the most rapidly growing and most diverse county in the state.

As a result of this growth and population, we have to develop and build a variety of projects to meet the needs of the community, from large roads and culverts, convention centers, and public service buildings. We work hard to work with good contractors but also to stretch and protect every public dollar that goes into these projects.

As a result of that effort and the work that we have done to adjust to all of the changes to public contracting requirements that have impacted the ability for the County to hold back funding to assure completion of projects. HB 4006 represents another change, and we are concerned about the new work that will be placed on the County without sufficient time to update processes.

First, the County has never had a role in the contracts between our general contractors and their subcontractors. This new provision for the county to hold surety bonds for subcontractors may place us in a position where we are now required to hold or make payments on a contract that we are not party to. Our role as the contracting agency is to fulfill our payment obligations to the general contractor – and we are not privy to the contract standards for the subcontractor's obligations and are therefore not well positioned to finalize payments from a surety bond.

In addition, we are very concerned that this bill has an emergency clause. We are consistently in the process of negotiating and finalizing these contracts, and we use forms and procedures that keep us in compliance with state law as we finalize the agreements. This bill places new requirements on our agency without an opportunity to update those documents and

procedures. To change the terms of retainage and surety bonding without time to update our processes is does not account for the work that our County does on a day-to-day basis and leaves us without the needed adjustment period. We ask that you remove the emergency clause to this bill.

We urge the committee to work with local public contracting agencies to find a better solution to this issue.

Sincerely,

Erin Doyle
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