

HB 2425 -3 STAFF MEASURE SUMMARY

House Committee On Labor and Workplace Standards

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Meeting Dates: 2/24, 4/7

WHAT THE MEASURE DOES:

Requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract. Takes effect on 91st day following adjournment sine die.

Detailed Summary:

Requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that the production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract.

Requires certification to include probative evidence that certification is legitimate, authoritative, truthful and accurate. Public body will specify appropriate criteria and standards for determining legitimacy, authority, truthfulness and accuracy of certification.

Person that provides certification that is false, materially misleading, illegitimate, untruthful, forged or substantially inaccurate is subject to contract termination, cancellation, or denial or civil penalty up to \$10,000 or half of price public body paid for EV or solar photovoltaic energy system.

Public body that knowingly or intentionally enters into contract for EV or solar photovoltaic energy system without receiving required certification or official of public body that accepts certification that official knows is false, materially misleading, illegitimate, untruthful, forged or substantially inaccurate is subject to damages of entire price that the public body paid for EV or solar photovoltaic electric system or \$10,000. Damages recovered by Attorney General are deposited in Common School Fund.

Defines terms including “forced labor” or “oppressive child labor.”

Fiscal impact:

Revenue impact:

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 The amendment establishes the 11-member Task Force on Ethical Procurement to devise methods for verifying the identities of manufacturers, distributors, vendors or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles (EV), solar photovoltaic energy systems and other electric products and ensuring that public bodies do not procure products, including EV, solar photovoltaic energy systems or other electric products, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation or sale of the products used or involved forced labor or oppressive child labor. It declares an emergency, effective upon passage.

Detailed Summary:

Establishes 11-member Task Force consisting of:

- Two Senators appointed by the Senate President and two Representatives. Legislators appointed by the Speaker of the House. Legislators are non-voting.
- Seven members appointed by the Governor:
 - Representative from the office of the Governor;
 - Director of the Oregon Department of Administrative Services, or a designee;
 - Director of Transportation, or a designee;
 - Director of State Parks and Recreation, or a designee;
 - State Forester, or a designee;
 - Director of the State Department of Energy, or a designee; and
 - Director of the Department of Corrections, or a designee.
- The Governor will appoint a Chair and Vice-Chair.

Requires the Task Force to devise methods for:

- Verifying the identities of manufacturers, distributors, vendors or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles, solar photovoltaic energy systems and other electric products; and
- Ensuring that public bodies in this state do not procure products, including electric vehicles, solar photovoltaic energy systems or other electric products, whether completely assembled and finished or as new or replacement parts or components, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation or sale of the products used or involved forced labor or oppressive child labor.

Requires the Task Force to:

- Review solutions and best practices that are available from public and private entities and devise other solutions if necessary;
- Identify obstacles and challenges and recommend methods for overcoming the obstacles and challenges;
- Evaluate evidence of the effectiveness of existing solutions and best practices and recommend the most effective solutions or practices;
- Devise criteria for testing the effectiveness of new solutions;
- Identify needed technologies, processes or other resources; and
- Investigate, evaluate and predict how implementing the solutions and best practices that the task force recommends will affect the procurement practices of public bodies and the availability of goods and services for public procurement, including electric vehicles, solar photovoltaic energy systems and other electric products.

Permits the Task Force to take testimony, conduct studies, consult experts, require public bodies in this state to produce reports or other materials to aid in the task force's investigations and otherwise engage in activities needed to carry out its responsibilities.

Requires the Task Force to meet at least once a month.

Non-legislative members serve as volunteers, unless they are qualified members, as defined in ORS 292.495.

Requires all appointments be completed by the later of 90 days after adjournment sine die or September 30, 2025. Requires the task force to have its first meeting on or before the later of 91 days after adjournment sine die or October 15, 2025.

Requires DAS to provide staff support to the task force.

Task Force sunsets December 31, 2026.

Declares emergency, effective upon passage.

Fiscal impact:

Revenue impact: No revenue impact

BACKGROUND:

Public contracting is governed by the Public Contracting Code (Code) contained in ORS chapters 279A, 279B, and 279C. Chapter 279A contains general provisions applicable to the Code, chapter 279B contains laws overseeing public procurement contracts, and chapter 279C governs public improvement and related contracts. The judicial and legislative department are exempted from the Code. Generally, a contracting agency awards contracts to the lowest bidder or best proposer. However, the Code contains provisions allowing contracting agencies to give preference in certain circumstances. Additionally, the Code allows for different procurement methods depending on the anticipated dollar value of the contract: small procurement (currently under \$10,000) allows for a noncompetitive bid contract to be issued to permit an agency to quickly secure goods and services they need; intermediate procurement (currently \$10,000–\$150,000) requires, at minimum, an agency post public notice for seven-days, take steps to include small and diverse firms, and permits agency to secure goods and services within 30 days; and sealed competitive procurement (over \$150,000) requires a rigorous process of formal solicitation documents including Department of Justice review, 30-day public posting, formal process steps and evaluations, and contract negotiation. A sealed competitive process can take four to six months.

House Bill 2425 requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from the manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that the production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract