

House Bill 2337

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells a state agency to set up an effort to help small businesses compete for public contracts and says what the effort must do. Tells the agency to report the results of the effort to lawmakers. Tells the agency to plan for how to respond to the state's 2023 disparity study. (Flesch Readability Score: 60.7).

Directs the Oregon Department of Administrative Services to establish a small business preferences program for state procurement. Specifies minimum requirements for the program and powers that the department has to implement the program. Requires the department to report to the Governor and the Legislative Assembly on the implementation of the program. Requires the department to plan for and implement a response to the recommendations of the state's 2023 disparity study with respect to public procurement.

Sunsetts the program on December 31, 2031.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to preferences for small businesses in public procurement; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section, "small business" means a business that:**

5 **(a) Has registered with the United States Small Business Administration, or a successor**
6 **agency, as a small disadvantaged business;**

7 **(b) Is certified under ORS 200.055 as an emerging small business; or**

8 **(c) Meets other criteria that the Oregon Department of Administrative Services specifies**
9 **by rule.**

10 **(2) The department shall establish a program for granting preferences to small busi-**
11 **nesses in procurements the department conducts under ORS 279A.140. The program, at a**
12 **minimum, shall:**

13 **(a) Develop guidelines for the department and all state agencies on behalf of which the**
14 **department conducts procurements to identify a range of public contracts that would be**
15 **suitable for a small business to undertake successfully;**

16 **(b) Create effective strategies and methods for attracting, inviting, encouraging and en-**
17 **abling small businesses to participate in public procurement;**

18 **(c) Suggest changes in statutes and administrative rules that would enable the depart-**
19 **ment to implement effective preferences for small businesses in public procurement and that**
20 **would harmonize, streamline and otherwise improve the various small business preferences**
21 **programs that now exist within state public procurement; and**

22 **(d) Establish targets and goals for small business participation in public procurement**
23 **that would reduce or eliminate disparities identified in the 2023 State of Oregon Disparity**
24 **Study.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (3) As part of the program described in subsection (2) of this section, the department
2 may:

3 (a) Conduct studies, develop models, issue requests for information, contact and inter-
4 view or survey potential participants in a small business preferences program, consult ex-
5 perts and otherwise use lawful means to carry out the purposes set forth in subsection (2)
6 of this section; and

7 (b) State in solicitation materials for procurements that the department conducts that
8 the department will consider bids or proposals solely from small businesses.

9 (4) The department may adopt rules necessary to implement and administer the program
10 described in subsection (2) of this section.

11 (5)(a) No later than December 31 of each year, the department shall report to the Gov-
12 ernor and, in the manner provided in ORS 192.245, to the Legislative Assembly:

13 (A) The substance of the guidelines the department develops under subsection (2)(a) of
14 this section, with examples of categories of public contracts the department identifies as
15 suitable for small businesses and the range of contract values and scopes of work that the
16 department considers appropriate for small businesses to undertake;

17 (B) The number of public contracts the department awarded to small businesses during
18 the previous calendar year;

19 (C) The number of small businesses to which the department provides assistance under
20 the program;

21 (D) The type and size of the small businesses that participate in the program;

22 (E) The aggregated value of public contracts the department awarded that had a con-
23 nection to the program during the previous calendar year;

24 (F) Progress in developing the plan described in subsection (6) of this section; and

25 (G) Such other information about the program that the department deems relevant to
26 report.

27 (b) The department shall collect and compile data necessary to prepare and submit the
28 report described in this subsection.

29 (6) The department shall devise and implement a plan based on the recommendations
30 from the 2023 State of Oregon Disparity Study. To the extent feasible, the department shall
31 incorporate into the plan the results and findings of studies, models, expert opinion, contacts
32 with potential participants and other methods available to the department under subsections
33 (2) and (3) of this section.

34 SECTION 2. Section 1 of this 2025 Act is repealed on December 31, 2031.

35 SECTION 3. This 2025 Act takes effect on the 91st day after the date on which the 2025
36 regular session of the Eighty-third Legislative Assembly adjourns sine die.