



CITY OF BEND

March 26, 2025

House Committee on Labor and Workplace Standards
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97701

RE: HB 2688 Concerns

Chair Grayber and members of the House Committee on Labor and Workplace Standards:

I am writing to express my concerns regarding HB 2688, primarily due to the significant monetary and administrative costs it imposes on public agencies.

While the goals of HB 2688 are laudable, the financial burden of these benefits would fall on public agencies. According to a study by the University of Oregon, this change "... would annually boost total construction worker incomes by an additional \$100 million ..." However, it appears that this \$100 million boost, along with the anticipated increase in healthcare coverage and other benefits, would be paid by local governments such as the City of Bend. These increased costs would occur on public infrastructure, projects needed to support growth and housing development.

Although the enforcement of prevailing wage laws is the responsibility of the Bureau of Labor and Industries (BOLI), a substantial portion of the administrative burden would fall on the City and its contractors. The City would be responsible for identifying subject materials, tracking construction activity on and off the job site, and assisting BOLI in its investigations.

One scenario that illustrates this issue involves contracts for goods where some, but not all, of the goods are "custom" or "bespoke". In such cases, only some of the workers making goods for a contract would be subject to prevailing wage requirements. Both the City and its contractor would be responsible for administering this requirement. The City has many projects where much of the materials are standard off the shelf items, while other components are custom-designed and assembled items, or items built to order, off-site and ordered either by the City or a contractor. These items are then delivered and installed by a contractor and its subcontractors. Currently, only the workers employed on the installation of the materials are required to be paid prevailing wage, and they and subcontractors to which prevailing wage applies work on a site controlled by our contractor. The expansion of prevailing wage represented by HB 2688 to cover off-site work adds administrative burden not currently present with on-site work.

Thank you for considering my testimony. I urge you to carefully consider the financial and administrative impacts of HB 2688 on public agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "JS", written over a light blue horizontal line.

Justin Sweet
Procurement & Public Contracts Manager
City of Bend





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