



March 26, 2025

Chair Grayber, Vice Chairs Elmer & Munoz, and Members of the Committee,

Thank you for the opportunity to submit testimony on House Bill 2688. On behalf of the City of Central, we respectfully submit this testimony in opposition to the measure.

HB 2688 proposes to expand the definition of “public works” for purposes of prevailing wage rate (PWR) requirements to include custom, off-site fabrication and production of materials specifically for use in public works projects. While we appreciate the intent to ensure fair compensation across all aspects of public construction, this bill would place significant burdens on local municipalities—particularly small and mid-sized cities like ours.

Our public works team is responsible for delivering essential infrastructure improvements—from street maintenance and stormwater upgrades to waterline replacements and park enhancements. These projects are often funded through limited local resources, including utility fees, system development charges, and grants. Expanding PWR to off-site fabrication will substantially increase costs by requiring prevailing wages for work performed at distant fabrication facilities, often out of our immediate control or locality.

For example, if a custom pump station or a specialized HVAC unit is manufactured off-site specifically for a Central Point project, the proposed changes would require the supplier to adhere to Oregon’s PWR. This requirement will likely reduce competition among suppliers—many of whom are out-of-state or not currently subject to Oregon PWR law—and lead to increased material and labor costs that strain our tight budgets.

This bill also creates additional compliance and monitoring challenges. Our city staff is already tasked with ensuring transparency and accountability in all public contracting. Expanding the prevailing wage framework to off-site work introduces ambiguity around jurisdiction, applicability, and enforcement responsibilities. It also potentially opens up the City to liability for compliance issues by third-party fabricators, which is beyond our oversight capabilities.

Increased costs and administrative hurdles will result in delayed timelines and scaled-back project scopes. This ultimately harms our community members, who rely on timely and cost-effective delivery of critical infrastructure. We fear this measure could deter innovation in modular construction and prefabricated systems—tools we rely on to ensure efficiency and fiscal responsibility in public projects.

While we support efforts to ensure fair labor standards, HB 2688 creates disproportionate burdens for cities like Central Point without offering corresponding benefits to the local workforce. We urge the committee to consider the operational and fiscal impacts this legislation would have on public works departments across Oregon and to seek more balanced solutions that support both workers and the ability of local governments to serve their communities efficiently.

Sincerely,

Chris Clayton,
City of Central Point, City Manager