

**Enrolled**  
**Senate Bill 254**

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CHAPTER .....

AN ACT

Relating to requirements for alternative contracting methods; creating new provisions; amending ORS 279A.065, 279A.070, 279C.307, 279C.330, 279C.335 and 279C.380; and declaring an emergency.

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

**SECTION 1.** Sections 2 and 3 of this 2013 Act are added to and made a part of ORS chapter 279C.

**SECTION 2.** As used in this section and ORS 279A.065, 279C.307, 279C.335 and 279C.380 and section 3 of this 2013 Act:

(1) "Affiliate" means a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person.

(2) "Construction manager/general contractor" means a person that provides construction manager/general contractor services to a contracting agency under a public improvement contract.

(3)(a) "Construction manager/general contractor services" means construction-related services that a contracting agency procures by means of an alternative contracting method under ORS 279C.335 and that:

(A) Include a construction manager/general contractor's:

(i) Functioning as a member of a project team that includes the contracting agency, the architect or engineer that designs the public improvement under a separate contract with the contracting agency and other contractors and consultants; and

(ii) Reviewing and analyzing a design for a public improvement in order to:

(I) Suggest changes in the design that minimize potential errors, delays, unexpected costs and other problems during construction;

(II) Recommend means by which the contracting agency may achieve the functions of the public improvement or a component of the public improvement safely, reliably, efficiently and at the lowest overall cost;

(III) Improve the value and quality of the public improvement; and

(IV) Reduce the time necessary to complete the public improvement; and

(B) May include, depending on the specific terms of the public improvement contract and on whether the contracting agency decides to proceed with construction, a construction manager/general contractor's:

- (i) Devising a schedule for constructing the public improvement;
  - (ii) Estimating construction, materials, labor and other costs for the public improvement;
  - (iii) Establishing a fixed price, a guaranteed maximum price or other maximum price;
  - (iv) Constructing portions of the public improvement and subcontracting portions to other contractors;
  - (v) Coordinating and overseeing the construction process; or
  - (vi) Performing other services related to constructing a public improvement in accordance with the terms of the public improvement contract.
- (b) "Construction manager/general contractor services" does not include services related to constructing a public improvement under the terms of:
- (A) A public improvement contract that a contracting agency awards on the basis of a competitive bidding process that does not require an exemption under ORS 279C.335;
  - (B) A public improvement contract that results from a design-build procurement, as defined in rules the Attorney General or a contracting agency adopts under ORS 279A.065, and that is exempt from the competitive bidding requirement under ORS 279C.335;
  - (C) An energy savings performance contract;
  - (D) A public improvement contract for a transportation project that:
    - (i) Is exempt from the competitive bidding requirement under ORS 279C.335;
    - (ii) Requires the contractor to construct the project according to plans and specifications that a design professional provides under a separate contract with the contracting agency and without significant participation from the contractor; and
    - (iii) The contracting agency awards on the basis of the contracting agency's evaluation of:
      - (I) The contractor's qualifications, the price to perform the work on the project and the amount of time the contractor will take to perform the work; or
      - (II) The contractor's qualifications, past experience with similar projects, the price to perform the work on the project and the contractor's planned approach to the project; or
  - (E) A public improvement contract that is otherwise exempt or excepted from the competitive bidding requirement under ORS 279C.335.
- (4) "Guaranteed maximum price" means the total price at which a construction manager/general contractor agrees to provide construction manager/general contractor services to a contracting agency in accordance with the terms and conditions and scope of work for a specific public improvement contract and within which are:
- (a) All costs the contracting agency agrees to reimburse and all fees the contracting agency agrees to pay for completing the public improvement; and
  - (b) Any contingent costs, fees or other charges specifically identified in the public improvement contract.

**SECTION 3.** (1) A contracting agency that intends to procure construction manager/general contractor services shall procure the construction manager/general contractor services in accordance with model rules the Attorney General adopts under ORS 279A.065 (3).

(2) A contracting agency shall, in documents the contracting agency uses to procure construction manager/general contractor services:

(a) Describe the criteria the contracting agency will use to evaluate proposals for the construction manager/general contractor services the contracting agency seeks and what weight the contracting agency will give each criterion in the evaluation;

(b) Describe how the contracting agency will use interviews in the contracting agency's procurement and how the contracting agency will evaluate information the contracting agency obtains from interviews, if the contracting agency uses interviews in the procurement;

(c) Describe any other criteria the contracting agency may consider in selecting a construction manager/general contractor;

(d) Describe how the contracting agency will combine scoring from the interviews, from evaluating the proposals and from other criteria specified in accordance with paragraph (c) of this subsection to arrive at a proposer's final score and ranking;

(e) State that any savings the construction manager/general contractor realizes in performing the public improvement contract will accrue to the contracting agency, unless the public improvement contract provides otherwise;

(f) Specify terms and conditions that govern how the fixed price, guaranteed maximum price or other maximum price set forth in the public improvement contract will be determined and whether the price includes or is based on unit pricing or allows for work that is constructed in phases;

(g) State that the contracting agency will not pay any amount that exceeds a fixed price, guaranteed maximum price or other maximum price specified in the public improvement contract unless the amount results from material changes to the scope of work set forth in the public improvement contract and the parties to the public improvement contract agree in writing to the material changes;

(h) State that the contracting agency will conduct the procurement in accordance with model rules the Attorney General adopts under ORS 279A.065 (3); and

(i) Specify deadlines and time periods for the procurement that allow prospective contractors a reasonable opportunity to submit proposals, including but not limited to:

(A) The date and time by which the contracting agency must receive proposals;

(B) The dates on which or the time periods during which the contracting agency will conduct interviews, if the contracting agency will conduct interviews for the procurement;

(C) The date by which the contracting agency plans to indicate an intent to award the public improvement contract; and

(D) The time period during which the contracting agency will meet with proposers that the contracting agency did not select for the public improvement contract, if a proposer requests a meeting to discuss the procurement.

(3) By the earlier of the date on which a contracting agency and a construction manager/general contractor agree on a fixed price, guaranteed maximum price or other maximum price or the date on which the construction manager/general contractor begins to solicit offers for construction services from subcontractors, the public improvement contract that the contracting agency negotiates with the construction manager/general contractor must:

(a) Describe the methods the construction manager/general contractor will use to qualify and select subcontractors. The methods must be competitive and should provide prospective subcontractors with a reasonable opportunity to participate in the construction manager/general contractor's qualification and selection process.

(b) Identify the portions of the construction work under the public improvement contract for which the construction manager/general contractor may waive the qualification and selection process described in paragraph (a) of this subsection and describe:

(A) How the construction manager/general contractor may determine the portions of the construction work that will not be subject to the qualification and selection process described in paragraph (a) of this subsection; and

(B) The process the construction manager/general contractor will use to qualify and select prospective subcontractors for the portions of the construction work that are not subject to the qualification and selection process described in paragraph (a) of this subsection.

(c) Identify the conditions under which the construction manager/general contractor or an affiliate or subsidiary of the construction manager/general contractor may perform or compete with other prospective subcontractors to perform construction work under the public improvement contract and describe the methods the construction manager/general contractor will use to qualify and select an affiliate or subsidiary to perform the construction work.

(d) Describe how the construction manager/general contractor will announce which prospective subcontractors the construction manager/general contractor has selected to perform construction services in connection with the public improvement contract.

(e) Describe the conditions under which the construction manager/general contractor will discuss the qualification and selection process described in this subsection with a prospective subcontractor that the construction manager/general contractor did not select for a subcontract if the construction manager/general contractor receives a request from the prospective subcontractor to discuss the process.

(4) As used in this section, "savings" means a positive difference between a fixed price, a guaranteed maximum price or other maximum price set forth in a public improvement contract and the actual cost of the work, including costs for which a contracting agency reimburses a construction manager/general contractor and fees or profits the construction manager/general contractor earns.

**SECTION 4.** ORS 279A.065 is amended to read:

279A.065. (1) The Attorney General shall prepare and maintain model rules [*of procedure*] **that specify procedures for public contracting under the Public Contracting Code and that are** appropriate for [*use by*] all contracting agencies [*governing public contracting under the Public Contracting Code and*] **to use. The Attorney General** may devise and publish forms for use [*therewith*] **with the model rules.** The Attorney General shall adopt the model rules in [*the manner provided by*] **accordance with** ORS chapter 183. Before adopting or amending a model rule, the Attorney General shall consult with the Director of the Oregon Department of Administrative Services, the Director of Transportation, representatives of county governments, representatives of city governments, representatives of school boards and other knowledgeable persons.

(2) The Attorney General shall adopt model rules [*appropriate for use by all contracting agencies to govern the*] **that specify** procedures [*for entering*] **for all contracting agencies to use to enter** into energy savings performance contracts. Before adopting or amending a rule under this subsection, the Attorney General shall consult with the Oregon Department of Administrative Services, the State Department of Energy, the Oregon University System, local contracting agencies and other knowledgeable persons. The Attorney General may develop standard contract forms for use with energy savings performance contracts.

(3)(a) **The Attorney General shall adopt model rules that specify procedures for all contracting agencies to use to procure construction manager/general contractor services. Before adopting or amending a rule under this subsection, the Attorney General shall consult with the Director of the Oregon Department of Administrative Services, the Director of Transportation, local contracting agencies, construction contractors, construction subcontractors and other knowledgeable persons.**

(b) **Notwithstanding subsection (6) of this section, a contracting agency may not adopt the contracting agency's own rules for procuring construction manager/general contractor services.**

[3] (4) After each legislative session, the Attorney General shall review all laws [*passed by*] the Legislative Assembly **passed** that affect public contracting to determine if the **Attorney General should amend or repeal a model [rules] rule** prepared under this section [*should be modified by the adoption of*] **or adopt** a new rule [*or by the amendment or repeal of an existing rule*]. If the Attorney General determines that a modification of the model rules is necessary, the Attorney General shall prepare the modification within such time as to allow the modification to take effect no later than 120 days after the effective date of the legislation that caused the **Attorney General to modify the rule.** [*to be modified. However,*] The Attorney General may prepare a modification to take effect 121 or more days after the effective date of the legislation if the Attorney General [*provides notice designating the time period within which the modification will take effect to*], **in a notice to** the state agencies and persons listed in subsection (1) of this section, **specifies when the modification will take effect.**

[(4)] (5) A contracting agency that has not adopted [its] **the contracting agency's** own rules of procedure in accordance with subsection [(5)] (6) of this section is subject to the model rules [adopted by] the Attorney General **adopts** under this section, including all modifications to the model rules that the Attorney General may adopt.

[(5)(a)] (6)(a) A contracting agency may adopt [its] **the contracting agency's** own rules of procedure for public contracts that:

(A) Specifically state that the model rules [adopted by] the Attorney General **adopts** under this section do not apply to the contracting agency; and

(B) Prescribe the rules of procedure that the contracting agency will use for public contracts, which may include portions of the model rules [adopted by] the Attorney General **adopts**.

(b) A contracting agency that adopts rules under this [section] **subsection** shall review the rules each time the Attorney General modifies the model rules under this section to determine whether the contracting agency should modify [its] **the contracting agency's** rules to ensure compliance with statutory changes.

**SECTION 5.** ORS 279A.070 is amended to read:

279A.070. In addition to rules adopted under ORS 279A.065 [(5)] (6), a contracting agency may, in [the exercise of] **exercising** authority granted under ORS 279A.050, adopt rules necessary to carry out the provisions of the Public Contracting Code, including but not limited to rules for [the procurement, management, disposal and control of] **procuring, managing, disposing of and controlling** goods, services, personal services and public improvements under the Public Contracting Code. Each contracting agency authorized to enter into personal services contracts shall create procedures [for the screening and selection of] **to screen and select** persons to perform personal services.

**SECTION 6.** ORS 279C.307 is amended to read:

279C.307. (1) Except as provided in subsection (2) of this section, a contracting agency that procures personal services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a public contract that is subject to this chapter may not:

(a) Procure the personal services from a contractor or an affiliate of a contractor who is a party to the public contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the personal services; or

(b) Procure the personal services through the public contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the personal services.

(2) Subsection (1) of this section does not apply to a procurement [that qualifies as a construction manager/general contractor procurement or a design-build procurement, both as defined in OAR 125-249-0610 or 137-049-0610] **for construction manager/general contractor services or to a design-build procurement, as defined in rules the Attorney General or a contracting agency adopts under ORS 279A.065.**

[(3) As used in this section, "affiliate" means a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the contractor described in subsection (1)(a) of this section.]

**SECTION 7.** ORS 279C.330 is amended to read:

279C.330. (1) As used in ORS [279C.335,] 279C.345 and 279C.350, "findings" means the justification for a contracting agency conclusion that includes, but is not limited to, information regarding:

[(1)] (a) Operational, budget and financial data;

[(2)] (b) Public benefits;

[(3)] (c) Value engineering;

[(4)] (d) Specialized expertise required;

[(5)] (e) Public safety;

[(6)] (f) Market conditions;

[(7)] (g) Technical complexity; and

[(8)] (h) Funding sources.

(2) As used in ORS 279C.335, “findings” means the justification for a conclusion that a contracting agency or state agency, in seeking an exemption from the competitive bidding requirement of ORS 279C.335 (1), reaches based on the considerations set forth in ORS 279C.335 (2).

**SECTION 8.** ORS 279C.335 is amended to read:

279C.335. (1) All public improvement contracts shall be based upon competitive bids except:

(a) *[Contracts made]* **A public improvement contract** with a qualified nonprofit *[agencies providing]* **agency that provides** employment opportunities for individuals with disabilities under ORS 279.835 to 279.855.

(b) A public improvement contract **that is** exempt under subsection (2) of this section.

(c) A public improvement contract with a value of less than \$5,000.

(d) A **public improvement** contract *[not to]* **with a contract price that does not** exceed \$100,000 made under procedures for competitive quotes in ORS 279C.412 and 279C.414.

(e) *[Contracts for]* **A contract to** repair, *[maintenance, improvement or protection of]* **maintain, improve or protect** property *[obtained by]* the Department of Veterans’ Affairs **obtains** under ORS 407.135 and 407.145 (1).

(f) **An** energy savings performance *[contracts entered]* **contract that a contracting agency enters** into in accordance with rules of procedure adopted under ORS 279A.065.

(2) Subject to subsection (4)(b) **and (c)** of this section, the Director of the Oregon Department of Administrative Services, a local contract review board or, for contracts described in ORS 279A.050 (3)(b), the Director of Transportation may exempt a public improvement contract or a class of public improvement contracts from the competitive bidding *[requirements]* **requirement** of subsection (1) of this section *[upon approval of]* **after the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board approves** the following findings *[submitted by]* **that** the contracting agency **submits** or, if a state agency is not the contracting agency, **that** the state agency **that is** seeking the exemption **submits**:

(a) *[It is unlikely that]* The exemption *[will]* **is unlikely to** encourage favoritism in *[the]* awarding *[of]* public improvement contracts or substantially diminish competition for public improvement contracts.

(b) *[The]* Awarding a *[of]* public improvement *[contracts]* **contract** under the exemption will likely result in substantial cost savings **and other substantial benefits** to the contracting agency **or the state agency that seeks the exemption**, *to the state agency based upon the justification and information described in ORS 279C.330* or, if the *[contracts are]* **contract is** for a public *[improvements]* **improvement** described in ORS 279A.050 (3)(b), to the contracting agency or the public. In *[making the]* **approving a finding under this paragraph**, the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board *[may]* **shall** consider the type, cost and amount of the contract[,] **and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:**

(A) **How many** *[the number of]* persons **are** available to bid *[and such other factors as may be deemed appropriate.];*

(B) **The construction budget and the projected operating costs for the completed public improvement;**

(C) **Public benefits that may result from granting the exemption;**

(D) **Whether value engineering techniques may decrease the cost of the public improvement;**

(E) **The cost and availability of specialized expertise that is necessary for the public improvement;**

(F) **Any likely increases in public safety;**

(G) **Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement;**

(H) Whether granting the exemption will affect the sources of funding for the public improvement;

(I) Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;

(J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;

(K) Whether the public improvement involves new construction or renovates or remodels an existing structure;

(L) Whether the public improvement will be occupied or unoccupied during construction;

(M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and

(N) Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

(c) As an alternative to the finding described in paragraph (b) of this subsection, *[when]* if a contracting agency or state agency seeks an exemption that would allow the **contracting agency or state agency** to use *[of an alternate]* an **alternative** contracting method that the **contracting agency or state** agency has not previously used, the **contracting agency or state** agency may make a finding that identifies the project as a pilot project for which the **contracting agency or state** agency intends to determine whether *[the use of the alternate]* **using the alternative** contracting method actually results in substantial cost savings to the contracting agency, to the state agency or, if the contract is for a public improvement described in ORS 279A.050 (3)(b), to the contracting agency or the public. The **contracting agency or state** agency shall include an analysis and conclusion regarding actual cost savings, if any, in the evaluation required under ORS 279C.355.

(3) In making findings to support an exemption for a class of public improvement contracts, the contracting agency or state agency shall clearly identify the class using the class's defining characteristics. *[Those]* **The** characteristics *[shall]* **must** include *[some]* a combination of project descriptions or locations, time periods, contract values, methods of procurement or other factors that distinguish the limited and related class of public improvement contracts from the agency's overall construction program. The agency may not identify a class solely by funding source, such as a particular bond fund, or by the method of procurement, but shall identify the class using characteristics that reasonably relate to the exemption criteria set forth in subsection (2) of this section.

(4) In granting exemptions under subsection (2) of this section, the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board shall:

(a) *[When]* **If** appropriate, direct the use of *[alternate]* **alternative** contracting methods that take account of market realities and modern practices and are consistent with the public policy of encouraging competition.

(b) Require and approve or disapprove written findings by the contracting agency or state agency that support *[the]* awarding *[of]* a particular public improvement contract or a class of public improvement contracts, without the competitive bidding requirement of subsection (1) of this section. The findings must show that the exemption of a contract or class of contracts complies with the requirements of subsection (2) of this section.

(c) **Require a contracting agency or state agency that procures construction manager/general contractor services to conduct the procurement in accordance with model rules the Attorney General adopts under ORS 279A.065 (3).**

(5)(a) **A contracting agency or state agency shall hold a public hearing before *[final adoption of]* approving the findings required by subsection (2) of this section *[exempting]* and before**

**the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board grants an exemption from the competitive bidding requirement for a public improvement contract or a class of public improvement contracts. [from the requirement of competitive bidding, a contracting agency or state agency shall hold a public hearing.]**

(b) Notification of the public hearing *[shall]* **must** be published in at least one trade newspaper of general statewide circulation a minimum of 14 days before the hearing.

(c) The notice *[shall]* **must** state that the public hearing is for the purpose of taking comments on the draft findings for an exemption from the competitive bidding requirement. At the time of the notice, copies of the draft findings *[shall]* **must** be made available to the public. At the option of the contracting agency or state agency, the notice may describe the process by which the findings are finally adopted and may indicate the opportunity for *[any]* further public comment.

(d) At the public hearing, the contracting agency or state agency shall offer an opportunity for any interested party to appear and *[present]* comment.

(e) If a contracting agency or state agency *[is required to]* **must** act promptly *[due to]* **because of** circumstances beyond the agency's control that do not constitute an emergency, notification of the public hearing may be published simultaneously with the agency's solicitation of contractors for the alternative public contracting method, as long as responses to the solicitation are due at least five days after the *[meeting]* **hearing** and approval of the findings.

(6) The purpose of an exemption is to exempt one or more public improvement contracts from competitive bidding requirements. The representations in and the accuracy of the findings, including any general description of the resulting public improvement contract, are the bases for approving the findings and granting the *[exception]* **exemption**. The findings may describe anticipated features of the resulting public improvement contract, but the final parameters of the contract are those characteristics or specifics announced in the solicitation document.

(7) A public improvement contract awarded under the competitive bidding requirement of subsection (1) of this section may be amended only in accordance with rules adopted under ORS 279A.065.

(8) A public improvement *[contracts]* **contract that is** excepted from **the** competitive *[bid requirements]* **bidding requirement** under subsection (1)(a), (c), (d), (e) or (f) of this section *[are]* **is** not subject to the exemption requirements of subsection (2) of this section.

**SECTION 9.** ORS 279C.380 is amended to read:

279C.380. (1) Except as provided in ORS 279C.390, a successful bidder for a public improvement contract shall promptly execute and deliver to the contracting agency the following bonds:

(a) A performance bond in an amount equal to the full contract price conditioned on the faithful performance of the contract in accordance with the plans, specifications and conditions of the contract. The performance bond must be solely for the protection of the contracting agency that awarded the contract and any public agency or agencies for whose benefit the contract was awarded. If the public improvement contract is with a single person to provide both design and construction of a public improvement, the obligation of the performance bond for the faithful performance of the contract required by this paragraph must also be for the preparation and completion of the design and related services covered under the contract. Notwithstanding when a cause of action, claim or demand accrues or arises, the surety is not liable after final completion of the contract, or longer if provided for in the contract, for damages of any nature, economic or otherwise and including corrective work, attributable to the design aspect of a design-build project, or for the costs of design revisions needed to implement corrective work. A contracting agency may waive the requirement of a performance bond. A contracting agency may permit the successful bidder to submit a cashier's check or certified check in lieu of all or a portion of the required performance bond.

(b) A payment bond in an amount equal to the full contract price, solely for the protection of claimants under ORS 279C.600.

(2) If the public improvement contract is with a single person to provide *[construction manager and general contractor services]* **construction manager/general contractor services**, in which a

guaranteed maximum price may be established by an amendment authorizing construction period services following preconstruction period services, the contractor shall provide the bonds required by subsection (1) of this section upon execution of an amendment establishing the guaranteed maximum price. The contracting agency shall also require the contractor to provide bonds equal to the value of construction services authorized by any early work amendment in advance of the guaranteed maximum price amendment. Such bonds must be provided before construction starts.

(3) Each performance bond and each payment bond must be executed solely by a surety company or companies holding a certificate of authority to transact surety business in this state. The bonds may not constitute the surety obligation of an individual or individuals. The performance and payment bonds must be payable to the contracting agency or to the public agency or agencies for whose benefit the contract was awarded, as specified in the solicitation documents, and shall be in a form approved by the contracting agency.

(4) In cases of emergency, or when the interest or property of the contracting agency or the public agency or agencies for whose benefit the contract was awarded probably would suffer material injury by delay or other cause, the requirement of furnishing a good and sufficient performance bond and a good and sufficient payment bond for the faithful performance of any public improvement contract may be excused, if a declaration of such emergency is made in accordance with rules adopted under ORS 279A.065.

(5) This section applies only to public improvement contracts with a value, estimated by the contracting agency, of more than \$100,000 or, in the case of contracts for highways, bridges and other transportation projects, more than \$50,000.

**SECTION 10.** (1) Sections 2 and 3 of this 2013 Act and the amendments to ORS 279A.065, 279A.070, 279C.307, 279C.330, 279C.335 and 279C.380 by sections 4 to 9 of this 2013 Act become operative July 1, 2014.

(2) The Director of the Oregon Department of Administrative Services, the Director of Transportation, the Attorney General or a contracting agency that adopts rules under ORS 279A.065 may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the director, the Attorney General or the contracting agency to exercise, on and after the operative date specified in subsection (1) of this section, the duties, functions and powers conferred on the director, the Attorney General or the contracting agency by sections 2 and 3 of this 2013 Act and the amendments to ORS 279A.065, 279A.070, 279C.307, 279C.330, 279C.335 and 279C.380 by sections 4 to 9 of this 2013 Act.

**SECTION 11.** Sections 2 and 3 of this 2013 Act and the amendments to ORS 279A.065, 279A.070, 279C.307, 279C.330, 279C.335 and 279C.380 by sections 4 to 9 of this 2013 Act apply to procurements for which a contracting agency or, if a state agency is not the contracting agency, a state agency, on or after the operative date specified in section 10 of this 2013 Act, takes any affirmative step to seek an exemption from competitive bidding requirements.

**SECTION 12.** This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

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**Passed by Senate April 24, 2013**

**Repassed by Senate June 18, 2013**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House June 13, 2013**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2013

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Kate Brown, Secretary of State