

**B-Engrossed**  
**House Bill 2375**

Ordered by the Senate June 17  
Including House Amendments dated April 20 and Senate Amendments  
dated June 17

Sponsored by Representative NATHANSON; Representatives BARNHART, BOONE, BUCKLEY, DOHERTY, FREDERICK, GALLEGOS, GOMBERG, GREENLICK, HELM, HOLVEY, KENY-GUYER, KOTEK, LININGER, LIVELY, MCLAIN, PILUSO, RAYFIELD, TAYLOR, VEGA PEDERSON, WILLIAMSON, WITT (Presession filed.)

**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.

Requires state contracting agency to use solicitation template that Attorney General and Oregon Department of Administrative Services develop, approve and make available in advertising and soliciting procurements under Public Contracting Code and to use contract form or contract template, as appropriate, that Attorney General and department develop, approve and make available as basis for public contracts into which state contracting agency enters. **Provides that state contracting agency may negotiate terms and conditions in contract form or contract template but may not vary terms and conditions without advice of counsel if contract form or contract template will be basis of public contract with value that exceeds \$150,000.** Specifies exceptions. Exempts Secretary of State and State Treasurer from requirement to use solicitation template, contract template or contract form that Attorney General and department develop.

Requires person that conducts procurement or administers public contract for state contracting agency to complete course of education and training or have professional experience that meets specified requirements. Requires department to establish standards for education and training program or experience requirement and to set date by which person that conducts procurement or administers public contract must complete education and training or have required experience.

Requires director or head of state contracting agency to sign statement that acknowledges that director or head of state contracting agency reviewed, and verified that person that will administer contract read and understood, legal advice and recommendations from Oregon Department of Administrative Services, Department of Justice or other legal counsel. Permits director or head of state contracting agency to delegate duty in certain circumstances.

Requires Oregon Department of Administrative Services to develop and evaluate advice and recommendations for best practices in public contracting and to report to interim committee of Legislative Assembly.

Becomes operative January 1, 2016.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

Relating to accountability in public procurement; and declaring an emergency.

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

**SECTION 1.** Sections 2, 3 and 4 of this 2015 Act are added to and made a part of ORS 279A.140 to 279A.155.

**SECTION 2. (1) As used in this section:**

(a)(A) "Contract form" means a document with terms and conditions that the Attorney General and the Oregon Department of Administrative Services develop, approve and make available for state contracting agencies to use without alteration, except as provided in subparagraph (B) of this paragraph, as the terms and conditions of a public contract.

(B) "Contract form" does not include specifications for a procurement, a scope of work, pricing information, information that identifies parties to the public contract or similar or

**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 related portions of a public contract that a state contracting agency necessarily develops or  
2 must alter, with approval from the Attorney General or the Oregon Department of Admin-  
3 istrative Services, as a means of achieving the results the state contracting agency intends  
4 for the procurement.

5 (b)(A) "Contract template" means a document with terms and conditions that the At-  
6 torney General and the department develop, approve and make available for state contract-  
7 ing agencies to use, with appropriate alterations, as the basis for the terms and conditions  
8 of a public contract.

9 (B) "Contract template" does not include specifications for a procurement, a scope of  
10 work, pricing information, information that identifies parties to the public contract or simi-  
11 lar or related portions of a public contract that a state contracting agency necessarily de-  
12 velops or must alter as a means of achieving the results the state contracting agency intends  
13 for the procurement.

14 (c) "Solicitation template" means a request for information, a request for a quotation,  
15 an invitation to bid, a request for proposals or other document for soliciting a procurement  
16 under the Public Contracting Code in which the Attorney General and the department de-  
17 velop, approve and make available standardized language that a state contracting agency  
18 must use, with appropriate alterations, for a solicitation.

19 (2)(a) Except as provided in paragraph (c) of this subsection, a state contracting agency  
20 shall use a solicitation template in advertising and soliciting all procurements under the  
21 Public Contracting Code and, as provided in paragraph (b) of this subsection, shall use a  
22 contract form or a contract template, as appropriate, as the basis for all public contracts  
23 into which the state contracting agency enters. A state contracting agency, in accordance  
24 with the Public Contracting Code, may negotiate the terms and conditions set forth in a  
25 contract form or contract template but may not vary the terms and conditions without the  
26 advice of the Attorney General or legal counsel that the Attorney General approves if the  
27 state contracting agency anticipates that the contract form or contract template will be the  
28 basis for a public contract with a contract price that exceeds \$150,000.

29 (b) A state contracting agency shall use a contract form or contract template for all  
30 price agreements, cooperative procurements or procurements for which the Attorney Gen-  
31 eral or the Director of the Oregon Department of Administrative Services determines that  
32 the specifications for goods or services, the terms and conditions, the scope of work or other  
33 aspects of a procurement or a class of procurements do not vary significantly among state  
34 contracting agencies, or for procurements or classes of procurements in which the Attorney  
35 General or the director determines that using a contract form or contract template is nec-  
36 essary for the state contracting agency to avoid unreasonable liabilities or other risks or  
37 would promote best practices in public contracting. A state contracting agency, in accord-  
38 ance with the Public Contracting Code, may negotiate the terms and conditions set forth in  
39 a contract form or contract template but may not vary the terms and conditions without the  
40 advice of the Attorney General or legal counsel that the Attorney General approves if the  
41 state contracting agency anticipates that the contract form or contract template will be the  
42 basis for a public contract with a contract price that exceeds \$150,000.

43 (c) A state contracting agency may base a public contract on terms and conditions other  
44 than the terms and conditions set forth in a contract form or contract template only if:

45 (A) The state contracting agency receives approval from the Attorney General or, if the

1 state contracting agency is subject to ORS 279A.140, from the Director of the Oregon De-  
2 partment of Administrative Services, unless the state contracting agency determines that  
3 the contract price for the public contract is unlikely to exceed \$150,000;

4 (B) The nature of the procurement is unique and the public contract requires specific  
5 terms and conditions to accommodate the unique nature of the procurement or the state  
6 contracting agency, in accordance with provisions in the solicitation documents for the pro-  
7 curement, negotiated terms and conditions for the public contract that differ from the terms  
8 and conditions in a contract form or contract template;

9 (C) The state contracting agency consults the Attorney General, or legal counsel that the  
10 Attorney General approves, to develop appropriate terms and conditions for the public con-  
11 tract and for legal advice during all phases of the procurement for which the Attorney  
12 General determines that legal advice is necessary and relevant; and

13 (D) The state contracting agency submits the public contract to the Attorney General for  
14 approval for legal sufficiency, if the provisions of ORS 291.047 require the submission.

15 (d) This subsection does not apply to a procurement that a state contracting agency  
16 conducts under ORS 279B.065, 279B.080 or 279C.110 (9).

17 (3) Notwithstanding provisions of this section that require a state contracting agency to  
18 use a solicitation template, contract form or contract template that the Attorney General  
19 and the department develop, the office of the Secretary of State and the office of the State  
20 Treasurer shall use standardized forms and templates that each office develops for each  
21 office's own use in conducting procurements or entering into public contracts. The Secretary  
22 of State and the State Treasurer may elect to use solicitation templates, contract forms or  
23 contract templates that the Attorney General and the department develop.

24 (4) The Attorney General and the Director of the Oregon Department of Administrative  
25 Services shall cooperate to:

26 (a) Develop and make available solicitation templates, contract forms and contract tem-  
27 plates for procurements or classes of procurements that state contracting agencies require;  
28 and

29 (b) Adopt rules under ORS 279A.065 to implement the provisions of this section.

30 **SECTION 3.** (1) A person that conducts a procurement or administers a public contract  
31 for a state contracting agency shall complete a course of education and training or have  
32 professional experience that, at a minimum and in accordance with standards established  
33 under subsection (2) of this section, adequately prepares the person to:

34 (a) Develop specifications and develop or adapt solicitation documents for a procurement;

35 (b) Read critically, understand, interpret and apply terms and conditions set forth in  
36 public contracts of the scope and nature that the person administers or will administer;

37 (c) Draft scopes of work, statements of work, contract amendments, change orders, in-  
38 surance requirements, notices and other documents and communications that are necessary  
39 to conduct a procurement or administer a public contract of the scope and nature for which  
40 the person is or will be responsible;

41 (d) Monitor a contractor's performance under a public contract to ensure that the con-  
42 tractor performs services, provides goods or supplies materials according to the schedule,  
43 pricing, specifications and terms and conditions set forth in the public contract;

44 (e) Manage relations between a state contracting agency and contractors so that con-  
45 tractors meet obligations to the state contracting agency and the state contracting agency

1 meets obligations to contractors;

2 (f) Recognize and investigate emerging disputes or other risks, unique requirements,  
3 unusual situations or other issues that arise in connection with a procurement and formu-  
4 late appropriate responses and resolutions, seeking advice from legal counsel, risk manage-  
5 ment personnel or other persons when necessary;

6 (g) Understand auditing requirements and procedures that apply to procurements of the  
7 scope and nature for which the person is or will be responsible and organize and maintain  
8 appropriate documentation and administrative practices that meet the auditing require-  
9 ments; and

10 (h) Follow regular business and office procedures, implement applicable state contracting  
11 agency policies and procedures and otherwise conduct procurements or administer public  
12 contracts for a state contracting agency in accordance with best practices.

13 (2)(a) The Oregon Department of Administrative Services by rule shall establish stan-  
14 dards for the education and training or experience a person must have to conduct a pro-  
15 curement or administer a public contract for a state contracting agency other than the  
16 Secretary of State or State Treasurer and may specify requirements in addition to the re-  
17 quirements set forth in subsection (1) of this section. The standards must describe the con-  
18 tents and quality of a curriculum for an appropriate education or training program, fix a  
19 passing score for an examination or assessment, if appropriate, specify requirements for  
20 obtaining a certificate or other evidence of having completed the education or training pro-  
21 gram and otherwise determine the skills and the level and depth of knowledge a person must  
22 have obtained from the education or training program. The standards must also describe the  
23 length of service or other evidence of adequate experience that a person must have in order  
24 to conduct a procurement or administer a public contract for a state contracting agency.

25 (b) The department may establish levels or classifications of education and training or  
26 experience that are necessary for a person to conduct a procurement or administer a public  
27 contract for a state contracting agency, according to:

28 (A) The complexity, scope or category of procurements a state contracting agency con-  
29 ducts;

30 (B) The degree of responsibility a person will have for conducting a procurement or ad-  
31 ministering a public contract; or

32 (C) Other appropriate criteria.

33 (c) The department may provide an education or training program that meets the stan-  
34 dards the department establishes under this subsection or may approve an education or  
35 training program that meets the standards.

36 (d) The department by rule shall set a date, not later than December 31, 2017, by which  
37 an education or training program must meet the standards the department establishes under  
38 this subsection and a date, not later than December 31, 2018, after which all persons that  
39 conduct procurements or administer public contracts for state contracting agencies must  
40 meet the requirements specified in this section. In setting dates under this paragraph, the  
41 department shall take into account the fiscal impact of the standards and requirements on  
42 state contracting agencies and may phase in or specify incremental steps for meeting the  
43 standards and requirements.

44 (3) The office of the Secretary of State and the office of the State Treasurer, not later  
45 than December 31, 2017, shall each establish standards for the education and training or ex-

1 perience a person must have to conduct a procurement or administer a public contract for  
2 the Secretary of State or the State Treasurer. The standards for education and training or  
3 experience must meet the requirements set forth in subsection (1) of this section. The Sec-  
4 retary of State and the State Treasurer may specify requirements in addition to the re-  
5 quirements set forth in subsection (1) of this section and may elect to meet the standards  
6 that the department establishes under subsection (2) of this section. Not later than Decem-  
7 ber 31, 2018, a person that conducts a procurement or administers a public contract for the  
8 office of the Secretary of State or the office of the State Treasurer shall meet the standards  
9 that the office of the Secretary of State or the office of the State Treasurer, as appropriate,  
10 establishes under this subsection.

11 **SECTION 4.** (1) Before a state contracting agency executes a public contract with a  
12 contract price that exceeds \$150,000, the director or other head of the state contracting  
13 agency shall review, and shall verify that the person that will administer the public contract  
14 for the state contracting agency has read and understands, all advice and recommendations  
15 that the Oregon Department of Administrative Services, the Department of Justice or other  
16 legal counsel gave to the state contracting agency with respect to the public contract and  
17 the procurement that resulted in the public contract. The director or other head of the state  
18 contracting agency shall sign and retain in the state contracting agency's records a state-  
19 ment that acknowledges that the director or other head of the state contracting agency re-  
20 viewed the advice and recommendations and made the verification described in this  
21 subsection.

22 (2) The director or other head of a state contracting agency that enters into more than  
23 12 public contracts during a calendar year may delegate to a qualified employee of the state  
24 contracting agency all or a portion of the duties the director or other head of the state  
25 contracting agency has under subsection (1) of this section.

26 **SECTION 5.** The Oregon Department of Administrative Services shall develop and eval-  
27 uate advice and recommendations for promoting best practices in public contracting that are  
28 predicated on previous successes and failures, managing risks, reducing inefficiencies and  
29 otherwise improving accountability, responsiveness, effectiveness and quality in public con-  
30 tracting. The department shall evaluate the feasibility and practicality of, and methods by  
31 which the state may develop and implement, a system of peer review or a reservoir of shared  
32 expertise among state contracting agencies and shall seek and obtain advice and recom-  
33 mendations from subject matter specialists that the Attorney General, the department and  
34 other state contracting agencies employ or recognize as having expertise, experience or ideas  
35 that will enable the department to meet the requirements of this section. The department  
36 shall include the advice and recommendations the department develops and evaluates under  
37 this section in a report to an interim committee of the Legislative Assembly related to public  
38 contracting not later than November 30, 2015.

39 **SECTION 6.** (1) Section 2 of this 2015 Act applies to procurements that a state con-  
40 tracting agency conducts on or after the operative date specified in section 7 of this 2015 Act.

41 (2) Section 3 of this 2015 Act applies to procurements that a state contracting agency  
42 conducts on or after the date the Oregon Department of Administrative Services sets under  
43 section 3 (2)(d) of this 2015 Act.

44 (3) Section 4 of this 2015 Act applies to public contracts into which a state contracting  
45 agency enters on or after the operative date specified in section 7 of this 2015 Act.

1        **SECTION 7.** (1) Sections 2, 3 and 4 of this 2015 Act become operative January 1, 2016.

2        (2) The Attorney General, the Director of the Oregon Department of Administrative  
3 Services, the Director of Transportation and a state contracting agency that adopts rules  
4 under ORS 279A.065 may adopt rules and take any other action before the operative date  
5 specified in subsection (1) of this section that is necessary to enable the Attorney General,  
6 the director or the state contracting agency to exercise, on and after the operative date  
7 specified in subsection (1) of this section, all of the duties, functions and powers conferred  
8 on the Attorney General, the director or the state contracting agency by sections 2, 3 and  
9 4 of this 2015 Act.

10       **SECTION 8.** This 2015 Act being necessary for the immediate preservation of the public  
11 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
12 on its passage.  
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