

HB 4128 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/9

WHAT THE MEASURE DOES:

Allows disadvantaged business enterprise, minority-owned business, woman-owned business, business owned by service-disabled veteran, or emerging small business to retain certifications after exceeding applicable cap on gross receipts if business subcontracts to another certified business at least 20 percent of subcontract, mentors other business, and otherwise remains eligible for certification. Requires public contracting agency to reimburse certified business for expense related to mentoring. Takes effect 91 days after adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Limits application of measure to businesses owned by minorities, women and service-disabled veterans. Specifies that unexpended amounts in technical assistance fund are to be spent by the contracting agency to defray bona fide and verifiable expenses on other qualified projects instead of reverting to the contracting agency.

BACKGROUND:

State and local contracting agencies are directed by statute to “aggressively pursue a policy of providing opportunities for disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses.” ORS 200.090. The contracting agencies are also directed to cooperate with the Governor’s Policy Advisor for Economic and Business Equity to determine the best means by which to make such opportunities available. The Public Contracting Code allows public contracting agencies to carry out affirmative action goals, policies or programs by limiting competition for public contracts worth \$50,000 or less to businesses owned or controlled by a member of a disadvantaged groups or a disabled veteran. ORS 279A.100. The \$50,000 threshold was established in 1981.

COBID is the Certification Office for Business Inclusion and Diversity. It is housed in Business Development Department (Business Oregon) and is responsible for developing and implementing an aggressive strategy that encourages minorities, women, service-disabled veterans and emerging small businesses to participate in Oregon’s economy. It also maintains the Oregon Opportunity Register and Clearinghouse for information about public procurement opportunities.

A number of businesses owned by women, minorities and service-disabled veterans are growing large enough that they do not qualify for programs designed to help them become successful.