



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: December 20, 2021

SUBJECT: Public Contracting Overview

BACKGROUND AND POLICY IMPLICATIONS:

During the 2021 session, the Legislature passed SB 420, which amends the public contracting code and allows contracting agencies and contract review boards to voluntarily develop and adopt community benefit contracts.

Community benefit contracts typically have specific requirements for contractors who bid on public construction projects that are designed to accomplish local goals.

Lane County was an advocate of SB 420, and at this year's Association of Oregon Counties conference, provided an overview of how their Board has chosen to implement a Community Benefits Bidding (CBB) program. Lane County's program only applies to vertical construction projects (i.e., building construction projects) that are valued at more than \$1 million. Currently, their program includes a pre-qualification process for contractors that includes wage, health care and apprenticeship requirements.

SB 420 does not prescribe how contracting agencies implement community benefit contracts, nor does it require contracting agencies to implement them.

The bill allows for community benefit contracts to include terms and conditions that can include:

- A requirement that a contractor qualify as an apprentice training agent and employ apprentices to perform a specified percentage of apprenticeable work hours.
- A requirement that a contractor provide employer-paid family health insurance.
- Meet any other requirements adopted by local government.

The bill also specifies that a contracting agency can prequalify bidders or proposers to submit bids or proposals for community benefit procurement contracts that are advertised or entered into on or after January 1, 2022.

In response to a preliminary conversation among the commissioners following the presentation at the AOC conference, staff from the County's Facilities, Road and Solid Waste departments will attend the Board's Dec. 20 meeting to answer questions.

If the Board has an interest in pursuing additional discussions about community benefits bidding, staff recommends that the Board consider:

1. Defining the community benefits that the County may hope to advance.

Depending on the nature of the goals, there may be a variety of ways to achieve them, including pilots or programs that are not linked to contracting requirements.

2. Consulting the local contracting community to allow them an opportunity to provide feedback on potential impacts. The local contracting community may not be in a position to be responsive to projects, specifically with regard to apprenticeship requirements.

- a. Note: Although existing community benefits programs or agreements within the state primarily address vertical construction, ODOT is currently considering how to incorporate community benefit agreements into contracting and project delivery practices, and has established a committee that includes members from the contracting community, labor, workforce, local partners and community to advise them. Within civil and heavy-highway construction projects, local government road and public works departments typically implement ODOT best practices within their standards, including prequalification of contractors. Particularly for the Road and Solid Waste Departments, outcomes and lessons learned from this process will be beneficial to consider.

3. Conducting additional research.

BUDGET IMPACTS:

TBD

ATTENDANCE:

Chad Centola, Interim Solid Waste Director

Chris Doty, Road Department Director

Cody Smith, County Engineer, Deschutes County Road Department

Lee Randall, Facilities Director

Whitney Hale, Deputy County Administrator