

Winter Workshop

HB 3203

December 7, 2017



**Oregon Concrete
& Aggregate**
PRODUCERS ASSOCIATION

Overview

- ❑ HB 3203 has three parts to Oregon's Least Cost Policy:
 1. Defined Cost Accounting Methodology
 2. Defined what was not maintenance
 3. Defined Enforcement Proceedings



Cost Accounting Methodology

- Estimate the Agencies costs to perform the work, including:
 1. Cost of Labor – fully loaded
 2. Cost of Equipment – depreciation
 3. Cost of Administration and Overhead
 4. Cost of Materials and tools
 5. Cost of Contracts Entered into
 6. Cost of testing and quality control



Cost Accounting Methodology

- ❑ Estimate the cost of a private contractor including all costs a private contractor would incur to do the project
- ❑ This is a good faith estimate



Cost Accounting Methodology

- Compare the Costs of Self Performing and Private Contractor
- Threshold raised to \$200,000 for all projects but paving
- Highway paving remains at \$125,000
- Required to file list of projects with BOLI
- Required to file analysis if Agency is self performing
- Analysis is a public record
- Analysis not necessary if no responsive bid



Maintenance of Highways

- ❑ General rule retained: \$125,000 and 2” exception
- ❑ Cost Accounting Measures and requirements apply
- ❑ Maintenance patching, chip seals, and other seals exempt



Enforcement

- ❑ Contractors or Trade Associations can file complaint
- ❑ BOLI will investigate
 1. Compel testimony
 2. Production of records
 3. Other Actions Commissioner deems necessary
- ❑ First Offense (or within 5 years) Warning Letter
- ❑ Second Offense Settlement Agreement
- ❑ Third Offense fine of \$5,000 or \$20,000 if willful



HB 2017 Provision

- ❑ Highway projects preferred with locally sourced aggregate

Page 7: “(9) Is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).”

- ❑ Highway trust fund allocation distributed to local governments after demonstration of compliance with accountability statutes.

Page 59: “(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to this 2017 Act after the operative date of the increase are in compliance with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS 279C.305, or the commission has requested from the bureau confirmation of such compliance;”

