A-Engrossed Senate Bill 809

Ordered by the Senate April 24 Including Senate Amendments dated April 24

Sponsored by Senator DEMBROW, Representative MCKEOWN

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

Requires bidder that submits bid for contract for public works with estimated contract price of [\$1] \$5 million or more to demonstrate responsibility by belonging to local joint committee whose training agents, in aggregate, employed apprentices for 10 percent or more of hours that training agents' employees worked on contracts in previous calendar year or by showing that bidder employed apprentices for 10 percent or more of hours that bidder's employees worked on contracts during previous calendar year. Lowers contract price to which requirement applies to \$3 million on January 1, 2021.

Provides that Commissioner of Bureau of Labor and Industries may set percentage at which public agency may determine responsibility of bidder for contract for public works.

Requires contracting agency to base determination of bidder's responsibility in contracts for by local joint committee of which bidder is part employing apprentices for 10 percent or more of hours training agents 'employees worked during previous calendar year or on bidder's status as approved training agent and on bidder's record of employing apprentices for 10 percent or more of hours that bidder's employees worked during previous calendar year. Lowers contract price to which requirement applies to \$3 million on January 1, 2021.

Requires contractors and subcontractors performing work on public works to submit statements to public agency that show hours that apprentices work during each week. Permits commissioner to verify compliance with requirement. Appropriates moneys to Bureau of Labor and Industries to establish verification program and for other purposes.

Requires local joint training committee to report to bureau hours that apprentices and journeyworkers worked during previous calendar year and requires bureau to publish information on bureau's website.

Requires bureau to submit report to Legislative Assembly by March 1 of each year.

Becomes operative on January 1, 2017.

Declares emergency, effective on passage.

A BILL FOR AN ACT

- Relating to apprenticeship utilization on public works projects; creating new provisions; amending ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137; 3 and declaring an emergency. 4
- Be It Enacted by the People of the State of Oregon: 5
- SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 279C.800 to 6 279C.870. 7
 - SECTION 2. (1) The Commissioner of the Bureau of Labor and Industries, by rule and in consultation with affected crafts, trades and other worker associations and with contractors and subcontractors that perform contracts for public works for public agencies, may determine:
 - (a) The percentage of the total hours that a bidder's employees worked on contracts during the previous calendar year for which the bidder was required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order

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for a public agency to determine that the bidder is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of \$5 million or more; or

- (b) The percentage of the total hours that employees of training agents approved by a local joint committee worked on contracts during the previous calendar year for which the training agents were required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that a bidder associated with the local joint committee is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of \$5 million or more.
- (2) The commissioner may not set a percentage under subsection (1) of this section that is less than the percentage set forth in ORS 279C.375 (4).
- (3) The commissioner shall review the percentages described in subsection (1) of this section at least once every other year to determine whether the commissioner should set a different percentage.

SECTION 2a. Section 2 of this 2015 Act is amended to read:

- Sec. 2. (1) The Commissioner of the Bureau of Labor and Industries, by rule and in consultation with affected crafts, trades and other worker associations and with contractors and subcontractors that perform contracts for public works for public agencies, may determine:
- (a) The percentage of the total hours that a bidder's employees worked on contracts during the previous calendar year for which the bidder was required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that the bidder is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of [\$5] \$3 million or more; or
- (b) The percentage of the total hours that employees of training agents approved by a local joint committee worked on contracts during the previous calendar year for which the training agents were required to employ apprentices participating in programs of apprenticeship or training under ORS 660.002 to 660.210 in order for a public agency to determine that a bidder associated with the local joint committee is responsible under ORS 279C.375 (4), if the bidder submits a bid for a contract for public works with an estimated contract price of [\$5] \$3 million or more.
- (2) The commissioner may not set a percentage under subsection (1) of this section that is less than the percentage set forth in ORS 279C.375 (4).
- (3)(a) The commissioner shall review the percentages described in subsection (1) of this section at least once every other year to determine whether the commissioner should set a different percentage.
- (b) The commissioner shall recommend to the Legislative Assembly, not later than December 31, 2022, any reduction the commissioner deems necessary in the estimated contract price at which bids or proposals for a contract for public works become subject to the requirements of ORS 279C.375 (4).

SECTION 3. ORS 279C.375 is amended to read:

- 279C.375. (1) After a contracting agency has opened bids and determined that the contracting agency will award a public improvement contract, the contracting agency shall award the contract to the lowest responsible bidder.
- (2) At least seven days before awarding a public improvement contract, unless the contracting agency determines that seven days is impractical under rules adopted under ORS 279A.065, the

contracting agency shall issue to each bidder or post, electronically or otherwise, a notice of the contracting agency's intent to award a contract. This subsection does not apply to a contract to which competitive bidding does not apply under ORS 279C.335 (1)(c) or (d). The notice and the manner in which the **contracting agency issues or posts the** notice [is posted or issued] must conform to rules adopted under ORS 279A.065.

- (3) In determining the lowest responsible bidder, a contracting agency shall do all of the following:
- (a) Check the list created by the Construction Contractors Board under ORS 701.227 for bidders who are not qualified to hold a public improvement contract.
- (b) Determine whether the bidder is responsible. A responsible bidder must demonstrate to the contracting agency that the bidder:
- (A) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.
- (B) Holds current licenses that businesses or service professionals operating in this state must hold in order to undertake or perform the work specified in the contract.
- (C) Is covered by liability insurance and other insurance in amounts the contracting agency requires in the solicitation documents.
- (D) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407 or has elected coverage under ORS 656.128.
 - (E) Has made the disclosure required under ORS 279C.370.
- (F) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this subparagraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within the bidder's control, the bidder stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. The contracting agency shall document the bidder's record of performance if the contracting agency finds under this subparagraph that the bidder is not responsible.
- (G) Has a satisfactory record of integrity. The contracting agency in evaluating the bidder's record of integrity may consider, among other things, whether the bidder has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the bidder's performance of a contract or subcontract. The contracting agency shall document the bidder's record of integrity if the contracting agency finds under this subparagraph that the bidder is not responsible.
 - (H) Is legally qualified to contract with the contracting agency.
- (I) Supplied all necessary information in connection with the inquiry concerning responsibility. If a bidder fails to promptly supply information concerning responsibility that the contracting agency requests, the contracting agency shall determine the bidder's responsibility based on available information, or may find that the bidder is not responsible.
- (c) Document the contracting agency's compliance with the requirements of paragraphs (a) and (b) of this subsection in substantially the following form:

RESPONSIBILITY DETERMINATION FORM

Pro	oject Name:	
Bid	l Number:	
Bus	siness Entity Name:	
CC	B License Number:	
For	rm Submitted By (Contracting Agency):	
For	rm Submitted By (Contracting Agency Representative's Name):	
	Title:	
	Date:	
	(The contracting agency must submit this form with attachments, if any, to the Construction	
Cor	ntractors Board within 30 days after the date of contract award.)	
	The contracting agency has (check all of the following):	
	[] Checked the list created by the	
	Construction Contractors Board	
	under ORS 701.227 for bidders who	
	are not qualified to hold a public	
	improvement contract.	
	[] Determined whether the bidder has	
	met the standards of responsibility.	
	In so doing, the contracting agency	
	has found that the bidder	
	demonstrated that the bidder:	
	[] Has available the appropriate	
	financial, material, equipment,	
	facility and personnel resources	
	and expertise, or the ability to	
	obtain the resources and	
	expertise, necessary to meet	
	all contractual responsibilities.	
	[] Holds current licenses that	
	businesses or service professionals	
	operating in this state must hold	
	in order to undertake or perform	
	the work specified in the contract.	
	[] Is covered by liability insurance	
	and other insurance in amounts	
	required in the solicitation	
	documents.	
	[] Qualifies as a carrier-insured	
	employer or a self-insured	
	employer of a sen-insured employer under ORS 656.407 or has	
	elected coverage under ORS 656.128.	
	[] Has disclosed the bidder's first-	
	tier subcontractors in accordance	
	with ORS 279C.370.	

1	[] Has a satisfactory record of
2	performance.
3	[] Has a satisfactory record of
4	integrity.
5	[] Is legally qualified to contract
6	with the contracting agency.
7	[] Has supplied all necessary
8	information in connection with
9	the inquiry concerning
10	responsibility.
11	[] Determined the bidder to be
12	(check one of the following):
13	[] Responsible under ORS 279C.375
14	(3)(a) and (b).
15	[] Not responsible under
16	ORS 279C.375 (3)(a) and (b).
17	(Attach documentation if the contracting agency finds the bidder not to be responsible.)
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- (d) Submit the form described in paragraph (c) of this subsection, with any attachments, to the Construction Contractors Board within 30 days after the date the contracting agency awards the contract.
- (4)(a) If a bidder submits a bid for a contract for public works with an estimated contract price of \$5 million or more, a contracting agency shall require the bidder, in addition to demonstrating that the bidder is responsible as provided in subsection (3)(b) of this section, to show that the bidder is an approved training agent under ORS 660.137 and:
- (A) Belongs to a local joint committee whose approved training agents, in the aggregate, employed apprentices for 10 percent or more of all hours that the employees of the approved training agents worked in the previous calendar year; or
- (B) Employed apprentices for 10 percent or more of all hours that the bidder's employees worked on contracts in the previous calendar year.
- (b) In the circumstances described in paragraph (a) of this subsection, a contracting agency shall include in the form set forth in subsection (3)(c) of this section an additional criterion for determining responsibility that reads substantially as follows:
- [] Belongs to a local joint
 committee with training agents
 that, in the aggregate, employed
 apprentices for 10 percent or
 more of the hours that the
 training agents' employees
 worked in the previous calendar
 year or is an approved training
 agent and has employed apprentices
 for 10 percent or more of the total
 number of hours the bidder's

employees worked in the previous calendar year.

- (c) This subsection does not apply to the Department of Transportation.
- [(4)] (5) [The] A successful bidder shall:

- (a) Promptly execute a formal contract; and
- (b) Execute and deliver to the contracting agency a performance bond and a payment bond when required under ORS 279C.380.
- [(5)] (6) [Based on competitive bids,] A contracting agency may award a public improvement contract or may award multiple public improvement contracts based on competitive bids if the contracting agency specifies that the contracting agency will do so [when specified] in the invitation to bid.
- [(6)] (7) A contracting agency may not exclude a commercial contractor from competing for a public contract on the basis that [the] a license [issued by] that the Construction Contractors Board issued is endorsed as a level 1 or level 2 license. As used in this section, "commercial contractor" has the meaning given that term in ORS 701.005.

SECTION 3a. ORS 279C.375, as amended by section 3 of this 2015 Act, is amended to read:

- 279C.375. (1) After a contracting agency has opened bids and determined that the contracting agency will award a public improvement contract, the contracting agency shall award the contract to the lowest responsible bidder.
- (2) At least seven days before awarding a public improvement contract, unless the contracting agency determines that seven days is impractical under rules adopted under ORS 279A.065, the contracting agency shall issue to each bidder or post, electronically or otherwise, a notice of the contracting agency's intent to award a contract. This subsection does not apply to a contract to which competitive bidding does not apply under ORS 279C.335 (1)(c) or (d). The notice and the manner in which the contracting agency issues or posts the notice must conform to rules adopted under ORS 279A.065.
- (3) In determining the lowest responsible bidder, a contracting agency shall do all of the following:
- (a) Check the list created by the Construction Contractors Board under ORS 701.227 for bidders who are not qualified to hold a public improvement contract.
- (b) Determine whether the bidder is responsible. A responsible bidder must demonstrate to the contracting agency that the bidder:
- (A) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.
- (B) Holds current licenses that businesses or service professionals operating in this state must hold in order to undertake or perform the work specified in the contract.
- (C) Is covered by liability insurance and other insurance in amounts the contracting agency requires in the solicitation documents.
- (D) Qualifies as a carrier-insured employer or a self-insured employer under ORS 656.407 or has elected coverage under ORS 656.128.
 - (E) Has made the disclosure required under ORS 279C.370.
- (F) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this subparagraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within

the bidder's control, the bidder stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. The contracting agency shall document the bidder's record of performance if the contracting agency finds under this subparagraph that the bidder is not responsible.

- (G) Has a satisfactory record of integrity. The contracting agency in evaluating the bidder's record of integrity may consider, among other things, whether the bidder has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the bidder's performance of a contract or subcontract. The contracting agency shall document the bidder's record of integrity if the contracting agency finds under this subparagraph that the bidder is not responsible.
 - (H) Is legally qualified to contract with the contracting agency.

- (I) Supplied all necessary information in connection with the inquiry concerning responsibility. If a bidder fails to promptly supply information concerning responsibility that the contracting agency requests, the contracting agency shall determine the bidder's responsibility based on available information, or may find that the bidder is not responsible.
- (c) Document the contracting agency's compliance with the requirements of paragraphs (a) and (b) of this subsection in substantially the following form:

RESPONSIBILITY DETERMINATION FORM

20	RESPONSIBILITY DETERMINATION FORM
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22	Project Name:
23	Bid Number:
24	Business Entity Name:
25	CCB License Number:
26	Form Submitted By (Contracting Agency):
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28	Form Submitted By (Contracting Agency Representative's Name):
29	Title:
30	Date:
31	(The contracting agency must submit this form with attachments, if any, to the Construction
32	Contractors Board within 30 days after the date of contract award.)
33	The contracting agency has (check all of the following):
34	[] Checked the list created by the
35	Construction Contractors Board
36	under ORS 701.227 for bidders who
37	are not qualified to hold a public
38	improvement contract.
39	[] Determined whether the bidder has
40	met the standards of responsibility.
41	In so doing, the contracting agency
42	has found that the bidder
43	demonstrated that the bidder:
44	[] Has available the appropriate
45	financial, material, equipment,

1	facility and personnel resources
2	and expertise, or the ability to
3	obtain the resources and
4	expertise, necessary to meet
5	all contractual responsibilities.
6	[] Holds current licenses that
7	businesses or service professionals
8	operating in this state must hold
9	in order to undertake or perform
10	the work specified in the contract.
11	[] Is covered by liability insurance
12	and other insurance in amounts
13	required in the solicitation
14	documents.
15	[] Qualifies as a carrier-insured
16	employer or a self-insured
17	employer under ORS 656.407 or has
18	elected coverage under ORS 656.128.
19	[] Has disclosed the bidder's first-
20	tier subcontractors in accordance
21	with ORS 279C.370.
22	[] Has a satisfactory record of
23	performance.
24	[] Has a satisfactory record of
25	integrity.
26	[] Is legally qualified to contract
27	with the contracting agency.
28	[] Has supplied all necessary
29	information in connection with
30	the inquiry concerning
31	responsibility.
32	[] Determined the bidder to be
33	(check one of the following):
34	[] Responsible under ORS 279C.375
35	(3)(a) and (b).
36	[] Not responsible under
37	ORS 279C.375 (3)(a) and (b).
38	(Attach documentation if the contracting agency finds the bidder not to be responsible.)
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(d) Submit the form described in paragraph (c) of this subsection, with any attachments, to the Construction Contractors Board within 30 days after the date the contracting agency awards the contract.

(4)(a) If a bidder submits a bid for a contract for public works with an estimated contract price of [\$5] \$3 million or more, a contracting agency shall require the bidder, in addition to demonstrat-

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- ing that the bidder is responsible as provided in subsection (3)(b) of this section, to show that the bidder is an approved training agent under ORS 660.137 and:
- (A) Belongs to a local joint committee whose approved training agents, in the aggregate, employed apprentices for 10 percent or more of all hours that the employees of the approved training agents worked in the previous calendar year; or
 - (B) Employed apprentices for 10 percent or more of all hours that the bidder's employees worked on contracts in the previous calendar year.
 - (b) In the circumstances described in paragraph (a) of this subsection, a contracting agency shall include in the form set forth in subsection (3)(c) of this section an additional criterion for determining responsibility that reads substantially as follows:
- [] Belongs to a local joint 12 committee with training agents 13 that, in the aggregate, employed apprentices for 10 percent or 15 more of the hours that the training agents' employees worked in the previous calendar year or is an approved training agent and has employed apprentices for 10 percent or more of the total number of hours the bidder's employees worked in the previous calendar year.

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- (c) This subsection does not apply to the Department of Transportation.
- (5) A successful bidder shall:
- (a) Promptly execute a formal contract; and
- (b) Execute and deliver to the contracting agency a performance bond and a payment bond when required under ORS 279C.380.
- (6) A contracting agency may award a public improvement contract or may award multiple public improvement contracts based on competitive bids if the contracting agency specifies that the contracting agency will do so in the invitation to bid.
- (7) A contracting agency may not exclude a commercial contractor from competing for a public contract on the basis that a license that the Construction Contractors Board issued is endorsed as a level 1 or level 2 license. As used in this section, "commercial contractor" has the meaning given that term in ORS 701.005.

SECTION 4. ORS 279C.800 is amended to read:

279C.800. As used in ORS 279C.800 to 279C.870:

- (1) "Apprentice" has the meaning given that term in ORS 660.010.
- (2) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.
- [(1)] (3) "Fringe benefits" means the amount of:
- (a) [The rate of contribution] Contributions that a contractor or subcontractor makes irrevocably to a trustee or to a third person under a plan, fund or program; and
- (b) [The rate of] Costs [to the] that a contractor or subcontractor [that] may [be] reasonably [anticipated] anticipate in providing the following items, except for items that federal, state or local law requires the contractor or subcontractor to provide:

- 1 (A) Benefits to workers pursuant to an enforceable written commitment to the workers to carry 2 out a financially responsible plan or program for:
- (i) Medical or hospital care;
- 4 (ii) Pensions on retirement or death; or
- 5 (iii) Compensation for injuries or illness that result from occupational activity;
- 6 (B) Insurance to provide the benefits described in subparagraph (A) of this paragraph;
- 7 (C) Unemployment benefits;
- 8 (D) Life insurance;

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- (E) Disability and sickness insurance or accident insurance;
- 10 (F) Vacation and holiday pay;
- 11 (G) Costs of apprenticeship or other similar programs; or
- 12 (H) Other bona fide fringe benefits.
- 13 [(2)] (4) "Housing" has the meaning given that term in ORS 456.055.
- [(3)] (5) "Locality" means the following district in which the public works, or the major portion thereof, is to be performed:
- 16 (a) District 1, composed of Clatsop, Columbia and Tillamook Counties;
- 17 (b) District 2, composed of Clackamas, Multnomah and Washington Counties;
- 18 (c) District 3, composed of Marion, Polk and Yamhill Counties;
- 19 (d) District 4, composed of Benton, Lincoln and Linn Counties;
- 20 (e) District 5, composed of Lane County;
- 21 (f) District 6, composed of Douglas County;
- 22 (g) District 7, composed of Coos and Curry Counties;
- 23 (h) District 8, composed of Jackson and Josephine Counties;
- 24 (i) District 9, composed of Hood River, Sherman and Wasco Counties;
- 25 (j) District 10, composed of Crook, Deschutes and Jefferson Counties;
- 26 (k) District 11, composed of Klamath and Lake Counties;
- 27 (L) District 12, composed of Gilliam, Grant, Morrow, Umatilla and Wheeler Counties;
- 28 (m) District 13, composed of Baker, Union and Wallowa Counties; and
- 29 (n) District 14, composed of Harney and Malheur Counties.
 - [(4)] (6) "Prevailing rate of wage" means the rate of hourly wage, including all fringe benefits, that the Commissioner of the Bureau of Labor and Industries determines is paid in the locality to the majority of workers employed on projects of a similar character in the same trade or occupation.
 - [(5)] (7) "Public agency" means the State of Oregon or a political subdivision of the State of Oregon, or a county, city, district, authority, public corporation or public entity organized and existing under law or charter or an instrumentality of the county, city, district, authority, public corporation or public entity.
 - [(6)(a)] (8)(a) "Public works" includes, but is not limited to:
 - (A) Roads, highways, buildings, structures and improvements of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest;
 - (B) A project that uses funds of a private entity and \$750,000 or more of funds of a public agency for constructing, reconstructing, painting or performing a major renovation on a privately owned road, highway, building, structure or improvement of any type;
- 44 (C) A project that uses funds of a private entity for constructing a privately owned road, high-45 way, building, structure or improvement of any type in which a public agency will use or occupy

- 25 percent or more of the square footage of the completed project;
 - (D) Notwithstanding the provisions of ORS 279C.810 (2)(a), (b) and (c), a device, structure or mechanism, or a combination of devices, structures or mechanisms, that:
 - (i) Uses solar radiation as a source for generating heat, cooling or electrical energy; and
 - (ii) Is constructed or installed, with or without using funds of a public agency, on land, premises, structures or buildings that a public body, as defined in ORS 174.109, owns; or
 - (E) Notwithstanding paragraph (b)(A) of this subsection and ORS 279C.810 (2)(b) and (c), construction, reconstruction, painting or major renovation of a road, highway, building, structure or improvement of any type that occurs, with or without using funds of a public agency, on real property that the Oregon University System or an institution in the Oregon University System owns.
 - (b) "Public works" does not include:

- (A) The reconstruction or renovation of privately owned property that a public agency leases; or
- (B) The renovation of publicly owned real property that is more than 75 years old by a private nonprofit entity if:
 - (i) The real property is leased to the private nonprofit entity for more than 25 years;
- (ii) Funds of a public agency used in the renovation do not exceed 15 percent of the total cost of the renovation; and
- (iii) Contracts for the renovation were advertised or, if not advertised, were entered into before July 1, 2003, but the renovation has not been completed on or before July 13, 2007.

SECTION 5. ORS 279C.807 is amended to read:

- 279C.807. (1) The Bureau of Labor and Industries shall develop, [and] adopt and update a plan to increase diversity statewide among workers and apprentices employed on projects subject to ORS 279C.800 to 279C.870. The bureau shall develop the plan after conducting a statewide public process to solicit proposals to increase diversity and shall adopt the plan after considering proposals submitted to the bureau.
- (2) The bureau shall report each year to the Legislative Assembly or to the appropriate legislative interim committee concerning progress that results from the plan adopted under this section and may submit recommendations for legislation or other measures that will improve diversity among workers and apprentices employed on projects subject to ORS 279C.800 to 279C.870. [The bureau shall submit the first report no later than January 1, 2009.]

SECTION 6. ORS 279C.827 is amended to read:

- 279C.827. (1)(a) A public agency may not divide a public works project into more than one contract for the purpose of avoiding compliance with ORS 279C.800 to 279C.870.
- (b) [When] If the Commissioner of the Bureau of Labor and Industries determines that a public agency has divided a public works project into more than one contract for the purpose of avoiding compliance with ORS 279C.800 to 279C.870, the commissioner shall issue an order [compelling] to compel compliance.
- (c) In making [determinations] a determination under this subsection, the commissioner shall consider:
 - (A) The physical separation of the project structures;
 - (B) The timing of the work on project phases or structures;
 - (C) The continuity of project contractors and subcontractors working on project parts or phases;
- 44 (D) The manner in which the public agency and the contractors administer and implement the 45 project;

- (E) Whether a single public works project includes several types of improvements or structures; and
 - (F) Whether the combined improvements or structures have an overall purpose or function.
- (2) If a project is a public works of the type described in ORS 279C.800 [(6)(a)(B)] (8)(a)(B) or (C), the commissioner shall divide the project, if appropriate, after applying the considerations set forth in subsection (1)(c) of this section to separate the parts of the project that include funds of a public agency or that a public agency will occupy or use [will be occupied or used by a public agency] from the parts of the project that do not include funds of a public agency and that a public agency will not occupy or use [will not be occupied or used by a public agency]. If the commissioner divides the project, any part of the project that does not include funds of a public agency and that [will not be occupied or used by] a public agency will not occupy or use is not subject to ORS 279C.800 to 279C.870.
- (3) If a project includes parts that [are owned by] a public agency **owns** and parts that [are owned by] a private entity **owns**, the commissioner shall divide the project, if appropriate, after applying the considerations set forth in subsections (1)(c) and (2) of this section to separate the parts of the project that are public works from the parts of the project that are not public works. If the commissioner divides the project, parts of the project that are not public works are not subject to ORS 279C.800 to 279C.870.

SECTION 7. ORS 279C.830 is amended to read:

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279C.830. (1)(a) Except as provided in paragraph (e) of this subsection, a public agency shall include in the specifications for every contract for public works [must contain] a provision that states the existing state prevailing rate of wage and, if applicable, the federal prevailing rate of wage required under the Davis-Bacon Act (40 U.S.C. 3141 et seq.) that a contractor, subcontractor or other person that is a party to the contract must [be paid] pay to workers in each trade or occupation that the contractor, [or] subcontractor or other person [who is a party to the contract] uses in performing all or part of the contract. If the prevailing rates of wage are available electronically or are accessible on the Internet, the public agency may incorporate the rates [may be incorporated] into the specifications by referring to the electronically accessible or Internet-accessible rates and by providing adequate information about how to access the rates.

- (b) If a public agency under paragraph (a) of this subsection must include the state and federal prevailing rates of wage in the specifications, the public agency shall also require the contractor to pay the higher of the applicable state or federal prevailing rate of wage to all workers on the public works.
- (c) Every contract and subcontract must provide that a contractor, subcontractor or other person that is a party to the contract must pay the workers [must be paid] not less than the specified minimum hourly rate of wage in accordance with ORS 279C.838 and 279C.840.
- (d) If a public works project is subject both to ORS 279C.800 to 279C.870 and to the Davis-Bacon Act, every contract and subcontract must provide that the contractor, subcontractor or other person that is a party to the contract must pay the workers on the public works [must be paid] not less than the higher of the applicable state or federal prevailing rate of wage.
- (e) A public works project described in ORS 279C.800 [(6)(a)(B)] (8)(a)(B) or (C) is subject to the existing state prevailing rate of wage or, if applicable, the federal prevailing rate of wage required under the Davis-Bacon Act that is in effect at the time a public agency enters into an agreement with a private entity for the project. After that time, the specifications for a contract for the public works must include the applicable prevailing rate of wage.

- (2) The specifications for a contract for public works must provide that the contractor and every subcontractor must have a public works bond filed with the Construction Contractors Board before starting work on the project, unless **the contractor or subcontractor is** exempt under ORS 279C.836 (4), (7), (8) or (9). Every contract that a contracting agency awards must require the contractor to:
- (a) Have a public works bond filed with the Construction Contractors Board before starting work on the project, unless **the contractor is** exempt under ORS 279C.836 (4), (7), (8) or (9).
- (b) Require, in every subcontract, that the subcontractor have a public works bond filed with the Construction Contractors Board before starting work on the project, unless **the subcontractor** is exempt under ORS 279C.836 (4), (7), (8) or (9).
- (3)(a) Every contract for public works must provide that the contractor, before awarding a subcontract, must require a prospective subcontractor to demonstrate to the contractor and the contracting agency that the prospective subcontractor meets the same standards of responsibility that apply to the contractor under ORS 279C.375 (4).
 - (b) This subsection does not apply to the Department of Transportation.

SECTION 8. ORS 279C.840 is amended to read:

must pay to workers upon all public works [shall be not] may not be less than the prevailing rate of wage for an hour's work in the same trade or occupation in the locality where the labor is performed. [The obligation of] A contractor or subcontractor may discharge the obligation to pay the prevailing rate of wage [may be discharged] by making the payments in cash, by [the] making [of] contributions of a type [referred to] described in ORS 279C.800 [(1)(a)] (3)(a), or by [the assumption of] assuming an enforceable commitment to bear the costs of a plan or program of a type [referred to] described in ORS 279C.800 [(1)(b)] (3)(b), or any combination [thereof] of payments, contributions or costs, [where] if the aggregate of [any such] the payments, contributions and costs is not less than the prevailing rate of wage. The contractor or subcontractor shall pay all wages due and owing to the contractor's or subcontractor's workers upon public works on the regular payday established and maintained under ORS 652.120.

- (2) After a contract for public works is executed with any contractor or work [is commenced] begins upon any public works, a contractor or subcontractor may not attack the amount of the prevailing rate of wage [is not subject to attack] in any legal proceeding [by any contractor or subcontractor] in connection with that contract.
- (3) It is not a defense in any legal proceeding that the prevailing rate of wage is less than the amount required to be in the specifications of a contract for public works, or that [there was an agreement between] the employee and the employer agreed that the employee would [to] work at less than the wage rates required [to be paid] under this section.
- (4) Every contractor or subcontractor **that is** engaged on a project [for which there is] **under** a contract for a public works shall keep the prevailing rates of wage for that project posted in a conspicuous and accessible place in or about the project. The Commissioner of the Bureau of Labor and Industries shall furnish without charge copies of the prevailing rates of wage to contractors and subcontractors.
- (5) Every contractor or subcontractor **that is** engaged on a project [for which there is] **under** a contract for a public works to which the prevailing wage requirements apply that also provides or contributes to a health and welfare plan or a pension plan, or both, for the contractor or subcontractor's employees on the project shall post a notice describing the plan in a conspicuous

and accessible place in or about the project. The **contractor or subcontractor shall preferably post the** notice [preferably shall be posted] in the same place as the **contractor or subcontractor posts the** notice required under subsection (4) of this section. In addition to the description of the plan, the notice [shall contain] **must have** information on how and where to make claims and where to obtain further information.

- (6)(a) Except as provided in paragraph (c) of this subsection, [no] a person other than the contractor or subcontractor may **not** pay or contribute any portion of the prevailing rate of wage [paid by] that the contractor or subcontractor **pays** to workers [employed in the performance of] the contractor or subcontractor employs in performing a contract for public works [contract].
- (b) For the purpose of this subsection, the prevailing rate of wage is the prevailing rate of wage specified in the contract.
- (c) This subsection [is not intended to] **does not** prohibit payments to a worker who is enrolled in any government-subsidized training or retraining program.
- (7) A person may not take any action that circumvents the payment of the prevailing rate of wage to workers employed on a **contract for** public works [contract], including, but not limited to, reducing an employee's regular rate of pay on any project **that is** not subject to ORS 279C.800 to 279C.870 in a manner that has the effect of offsetting the prevailing rate of wage on a public works project.

SECTION 9. ORS 279C.845 is amended to read:

279C.845. (1) [The] A contractor or the contractor's surety and every subcontractor or the subcontractor's surety shall file [certified] written statements with the public agency with which the contractor has a contract for public works [in writing], on a form prescribed by the Commissioner of the Bureau of Labor and Industries, [certifying] in which the contractor or subcontractor certifies:

- (a) The hourly rate of wage paid each worker whom the contractor or the subcontractor has employed upon the public works; [and]
- (b) That the contractor or subcontractor has not paid a [no] worker [employed] the contractor or subcontractor employs upon the public works [has been paid] less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract[.]; and
- (c) The total number of hours that apprentices who are participating in programs of apprenticeship and training under ORS 660.002 to 660.210 worked on the public works project in the previous week.
- (2) The [certified statement shall be verified by the oath of the] contractor or the contractor's surety or the subcontractor or the subcontractor's surety shall attest by oath that the contractor or subcontractor has read the [certified] statement described in subsection (1) of this section, that the contractor or subcontractor knows the contents of the [certified] statement and that to the contractor or subcontractor's knowledge the [certified] statement is true.
- (3) The [certified statements] contractor or subcontractor, in the statements described in subsection (1) of this section, shall set out accurately and completely the contractor's or subcontractor's payroll records, including the name and address of each worker, the worker's correct classification, the worker's apprenticeship agreement registration number, when available, rate of pay, daily and weekly number of hours worked and the gross wages the worker earned upon the public works during each week identified in the [certified] statement.
- (4) [The] A contractor or subcontractor shall deliver or mail [each certified statement required by subsection (1) of this section to the public agency. Certified statements] a statement required

under subsection (1) of this section to the public agency with which the contractor has a contract for public works. The contractor or subcontractor shall submit, by the fifth business day of each month, a statement for each week in the previous month during which the contractor or subcontractor employs a worker upon the public works [shall be submitted once a month, by the fifth business day of the following month]. A public agency may use information [submitted on certified] on statements [may be used] that a contractor or subcontractor submits under this section only to:

- (a) Ensure compliance with the provisions of ORS 279C.800 to 279C.870[.]; and
- (b) Determine the percentage of the total hours that workers performed on the public works for which the contractor or subcontractor employed apprentices participating in programs of apprenticeship and training under ORS 660.002 to 660.210.
- (5) Each contractor or subcontractor shall preserve the [certified] statements described in subsection (1) of this section for a period of three years [from] after the date [of completion of] on which the contractor completes the contract for public works.
- (6) [Certified statements received by] A statement that a public agency [are public records] receives under this section is subject to the provisions of ORS 192.410 to 192.505.
- (7) Notwithstanding ORS 279C.555 or 279C.570 (7), if a contractor is required to file [certified statements] a statement under this section, the public agency shall retain 25 percent of any amount [earned by] the contractor earns on the public works until the contractor has filed with the public agency [certified] the statements [as] required [by] under this section. The public agency shall pay the contractor the amount the public agency retained under this subsection within 14 days after the contractor files the [certified] statements [as required by] in accordance with this section, regardless of whether a subcontractor has failed to file [certified statements as] a statement required [by] under this section. The public agency is not required to verify the truth of the contents of [certified] statements [filed by] the contractor submits under this section.
- (8) Notwithstanding ORS 279C.555, [the] a contractor shall retain 25 percent of any amount [earned by] that a first-tier subcontractor earns on a public works until the subcontractor [has filed with] submits the statements required under this section to the public agency with which the contractor has a contract for public works [certified statements as required by this section]. The contractor shall verify that the first-tier subcontractor has filed the [certified] statements before the contractor may pay the subcontractor any amount the contractor retained under this subsection. The contractor shall pay the first-tier subcontractor the amount the contractor retained under this subsection within 14 days after the subcontractor files the [certified] statements [as required by] in accordance with this section. [Neither] The public agency [nor] and the contractor [is] are not required to verify the truth of the contents of [certified] statements [filed by] that a first-tier subcontractor submits under this section.

SECTION 10. ORS 279C.850 is amended to read:

279C.850. (1) At any reasonable time the Commissioner of the Bureau of Labor and Industries may enter the office or business establishment of any contractor or subcontractor [performing] with a contract for public works and gather facts and information necessary to determine whether the [prevailing rate of wage is actually being paid by such contractor or subcontractor to workers upon public works.] contractor or subcontractor is:

- (a) Actually paying the prevailing rate of wage to workers upon public works; and
- (b) Reporting the information required under ORS 279C.845 (1)(c) accurately and truthfully.

- (2) [Upon request by the commissioner] At the commissioner's request, every contractor or subcontractor [performing work on] with a contract for public works shall make available to the commissioner for inspection during normal business hours any payroll or other records [in the possession or under the control of] the contractor or subcontractor possesses or controls that [are deemed necessary by] the commissioner deems necessary to determine whether the contractor or subcontractor is actually paying the prevailing rate of wage [is actually being paid by such contractor or subcontractor] to workers upon public works. The [commissioner's request must be made] commissioner must make the request a reasonable time in advance of the inspection.
- (3) Notwithstanding ORS 192.410 to 192.505, any record [obtained or made by] the commissioner **obtains or makes** under this section is not open to inspection by the public.
- (4) The commissioner may, without necessity of an assignment, initiate legal proceedings against [employers] a contractor or subcontractor with a contract for public works to enjoin future failures to pay required prevailing rates of wage or overtime pay and to require the contractor or subcontractor to [payment of] pay prevailing rates of wage or overtime pay due employees. The commissioner [is entitled to] may recover, in addition to other costs, [such] a sum [as] that the court or judge [may determine] determines is reasonable as attorney fees. If the commissioner does not prevail in the action, the commissioner shall pay all costs and disbursements from the Bureau of Labor and Industries Account.
- (5) The commissioner by rule shall establish a program to regularly carry out the provisions of this section.

SECTION 11. ORS 660.137 is amended to read:

- 660.137. (1) [Every local apprenticeship or training program administered by a local joint committee, or by a trade committee functioning as a local joint committee, shall:] A local joint committee, or a trade committee that functions as a local joint committee, shall:
- [(1)] (a) Propose to the State Apprenticeship and Training Council and the Apprenticeship and Training Division of the Bureau of Labor and Industries standards for [the] the local joint committee's local apprenticeship or training program that [are in substantial conformity] substantially conform with ORS 660.126 and with the uniform standards, if any, [adopted by] that the state joint committee adopted for [that occupation] the program, and recommend to the council and the division modifications of the standards.
- [(2)] (b) Administer [its] the local joint committee's program in conformity with [its] standards the local joint committee approved [standards], with the provisions of ORS 660.002 to 660.210, and with the rules and policies of the council and the division. [Particularly] Specifically, the local joint committee shall:
- [(a)] (A) Maintain records of all apprentices in [its] the local joint committee's program[,] with respect to work experience, instruction on the job, attendance at related instruction [and progress,] and progress made, along with [such] other records [as may be] that are appropriate or required[, and shall];
- **(B)** Submit [such] reports [as] **that** the council, division or other appropriate governmental agencies [may] require;
- [(b)] (C) Submit to the state joint committee appropriate requests for changes in courses of study for [the instruction of] instructing apprentices; [and]
- [(c)] (**D**) [Be responsible for apprentices receiving] **Provide** necessary on-the-job and related instruction[,]; and [for all]
 - (E) Promptly register all apprenticeship agreements [being promptly registered] with the

council.

[(3)] (c) [Be responsible for the recruitment, qualification, selection, approval and registration of] Recruit, qualify, select, approve and register apprentices [entering] that enter the program[, including the evaluation of] and evaluate previous creditable work experience, education and training for which the local joint committee must give advanced credit, [must be given, provided that] if the local joint committee can give advanced credit [may be given for such] for the creditable experience, education and training.

[(4)] (d) Review and evaluate, at least semiannually, [the] each apprentice's progress [of each apprentice,] as to job performance and related instruction[, and]. Consistent with the skill the apprentice has acquired, the local joint committee shall [accordingly] advance the apprentice to the next level of apprenticeship, [or] hold the apprentice at the same level for a reasonable period[, and] with reasonable opportunity for corrective action, or terminate the apprentice from the program for serious or continued inadequate progress and notify the council and the division of the local joint committee's action [taken]. The local joint committee shall also notify the council, the division and the appropriate training agent [shall also be notified] of each rerating and of the apprentice's new level on the wage schedule[. Recognition for] and shall ensure that an apprentice's successful completion of apprenticeship [shall be] is evidenced by an appropriate certificate [issued by] from the council.

[(5)(a)] (e) Determine the qualifications, minimum facilities and training conditions [required of] that an employer must have to serve as an approved training agent, [and] approve training agents [accordingly;] in accordance with the required qualifications, minimum facilities and training conditions and ensure compliance by:

- [(b)] (A) [Make] Making periodic checks of approved training agents to ensure that [there are] each training agency has qualified training personnel and [that there is] adequate supervision on the job, adequate and safe equipment and facilities for training and supervision[,] and safety training for apprentices on the job and in related instruction; and
- [(c)] (B) [Withdraw] Withdrawing approval of training agents [when] that no longer meet the required qualifications [are no longer met or when it appears to] or that the committee believes [that the training agent is in violation of] have violated the terms of an apprenticeship agreement, the local joint committee's standards, the provisions of ORS 660.002 to 660.210 or the rules and policies of the council and the division.
- [(6)] (f) Determine and redetermine at least annually the average journeyworker hourly rate of wage for the purposes of ORS 660.142 and submit the rate to the State Director of Apprenticeship and Training, along with a statement explaining how the **local joint committee made the** determination [was made].
- (g) Report by January 31 of each year to the Apprenticeship and Training Division of the Bureau of Labor and Industries on forms and in a format that the bureau specifies by rule all hours that apprentices and journeyworkers worked during the previous calendar year, after collecting all necessary information from the local joint committee's training agents. The report must attribute each of the hours to a specific training agent and must identify apprentices and journeyworkers by craft, by race or ethnicity, by gender and by the geographic location in which the apprentices reside and work in accordance with standards and categories that the bureau specifies by rule.
- (2)(a) [Training agents that fail or refuse to provide their committees with information shall be terminated as approved training agents.] A local joint committee shall withdraw approval from

a training agent that fails or refuses to provide the local joint committee with the information required under subsection (1)(f) and (g) of this section.

- (b) The council and the division may withhold approval of a new program or terminate an existing program [for failure or refusal by the committee or its] if a local joint committee or the local joint committee's training agents fail or refuse to keep the established journeyworker hourly rate of wage current and correct.
- (c) The committee shall retain all records from which a **local joint committee made a** wage determination [was made for inspection by] **for** the council and division **to inspect**, as required by law.
- (3) The Apprenticeship and Training Division of the Bureau of Labor and Industries shall publish the information that each local joint committee reports to the division under subsection (1)(g) of this section on the Bureau of Labor and Industries website and make the information available to the public.
- (4) The bureau, not later than March 1 of each year, shall submit to a committee or interim committee of the Legislative Assembly that deals with workforce issues a report that includes:
 - (a) The information that the bureau publishes under subsection (3) of this section;
- (b) Information about the number of apprentices who become journeyworkers during the reporting period, identifying the number of apprentices by craft, by race or ethnicity, by gender and by the geographic location in which the apprentices reside and work; and
- (c) The bureau's evaluation of the impact that the apprenticeship requirements set forth in ORS 279C.375 (4) and section 2 of this 2015 Act have on rural areas within this state.
- SECTION 12. (1) Section 2 of this 2015 Act and the amendments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137 by sections 3 and 4 to 11 of this 2015 Act apply to contracts for public works that a public agency advertises or solicits or, if the public agency does not advertise or solicit the contract for public works, that the public agency enters into on or after the operative date specified in section 13 (1) of this 2015 Act.
- (2) The amendments to section 2 of this 2015 Act by section 2a of this 2015 Act and the amendments to ORS 279C.375 by section 3a of this 2015 Act apply to contracts for public works that a public agency advertises or solicits or, if the public agency does not advertise or solicit the contract for public works, that the public agency enters into on or after the operative date specified in section 13 (2) of this 2015 Act.
- <u>SECTION 13.</u> (1) Section 2 of this 2015 Act and the amendments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137 by sections 3 and 4 to 11 of this 2015 Act become operative on January 1, 2017.
- (2) The amendments to section 2 of this 2015 Act by section 2a of this 2015 Act and the amendments to ORS 279C.375 by section 3a of this 2015 Act become operative on January 1, 2021.
- (3) The Attorney General, the Commissioner of the Bureau of Labor and Industries, the Director of the Oregon Department of Administrative Services and a contracting agency, other than the Department of Transportation, that adopts rules under ORS 279A.065 may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the Attorney General, the commissioner, the director or the contracting agency to exercise, on and after the operative date specified in

subsection (1) of this section, all of the duties, functions and powers conferred on the Attorney General, the commissioner, the director or the contracting agency by section 2 of this 2015 Act and the amendments to ORS 279C.375, 279C.800, 279C.807, 279C.827, 279C.830, 279C.840, 279C.845, 279C.850 and 660.137 by sections 3 and 4 to 11 of this 2015 Act.

SECTION 14. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

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