

**HOUSE COMMITTEE ON**  
**BUSINESS, LABOR AND CONSUMER AFFAIRS**

February 3, 2003 Hearing Room E  
8:30 A.M. Tapes 15 - 17

**MEMBERS PRESENT:**       Rep. Betsy Close, Chair  
                                  Rep. Derrick Kitts, Vice-Chair  
                                  Rep. Diane Rosenbaum, Vice-Chair  
                                  Rep. Mary Gallegos  
                                  Rep. Bill Garrard  
                                  Rep. Jeff Merkley  
                                  Rep. Mike Schaufler

**STAFF PRESENT:**        Megan Palau, Administrator  
                                  Mike Reiley, Administrative Support

**MEASURE/ISSUES HEARD:**        **HB 2341 – Public Hearing**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 15, A</b>		
004	Chair Close	Calls meeting to order at 8:35. Opens public hearing on HB 2341.
<b><u>HB 2341 – PUBLIC HEARING</u></b>		
012	Jessica Harris	Associated General Contractors. Explains public procurements.
089	Rep. Rosenbaum	Asks about statute changes regarding HB 2341.
093	Harris	Explains changes regarding HB 2341.
102	Dugan Petty	Deputy Administrator, Procurement Fleet and Surplus Services Division, Department of Administrative Services (DAS). Offers analysis of sections 1-13 of HB 2341.
232	Harris	Explains effects of forthcoming amendments.
240	Petty	Continues analysis.
303	Rep. Merkley	Asks about exemptions in HB 2341.
306	Petty	Explains exemptions.
312	Harris	Clarifies policy regarding exemptions.
321	Petty	Continues analysis.
412	Rep. Rosenbaum	Asks about donations and given items.
422	Petty	Explains how HB 2341 addresses given items.
437	Harris	Offers definition of "grant." Clarifies given items.
<b>TAPE 16, A</b>		
018	Petty	Continues analysis of section 8.
083	Harris	Explains provisions.
093	Chair Close	Asks about public input to rule-making process.
095	Harris	Explains rule-making process.
103	Petty	Continues analysis of section 11.
151	Harris	Offers clarification of accountability.
165	Petty	Continues analysis of section 13.
172	Bill Nessly	Department of Justice. Offers analysis of sections 13-15 of HB

		2341.
234	Harris	Offers analysis of section 16 of HB 2341.
255	Rep. Schaufler	Asks how provisions in HB 2341 would affect the Oregon license plates contract that was awarded to foreign bidder.
257	Harris	Explains how statute addresses contracting.
267	Rep. Garrard	Explains license plate contracting situation.
273	Harris	Explains difference between how printers and metal license plate manufacturers are treated.
292	Rep. Merkley	Asks for clarification about preferences in contracts.
295	Harris	Explains policies regarding preferences in contracts.
296	Rep. Merkley	Asks for additional clarification regarding preferences in contracts.
300	Harris	Offers additional clarification. Continues analysis of section 17.
326	Petty	Offers analysis of section 18.
357	Chair Close	Asks about consistency with current law.
358	Petty	Clarifies consistency. Continues analysis.
461	Chair Close	Asks about purchasing Department of Defense (DOD) items.
467	Petty	Explains purchasing DOD items. Continues analysis.
<b>TAPE 15, B</b>		
012	Harris	Offers analysis of sections 25-30 of HB 2341.
054	Rep. Schaufler	Asks about effect of HB 2341 on purchasing prescription drugs.
057	Petty	Explains purchasing of prescription drugs.
088	Harris	Offers additional clarification of purchase of prescription drugs. Continues analysis.
139	Chair Close	Asks how \$10,000 exemption was determined for cooperative procurements.
141	Harris	Explains process of arriving at exemption level. Continues analysis.
263	Nessly	Offers analysis of sections 31-44.
312	Petty	Offers analysis of section 45-87.
<b>TAPE 16, B</b>		
001	Petty	Continues analysis.
098	Chair Close	Asks for clarification of language regarding negotiations.
102	Nessly	Explains why language is necessary.
112	Petty	Continues analysis.
145	Nessly	Offers clarification of provisions.
156	Petty	Continues analysis.
181	Harris	Explains practical application of provisions.
193	Rep. Merkley	Asks for clarification of provisions regarding exemptions.
207	Harris	Explains provisions and existing law.
229	Petty	Offers further clarification.
253	Rep. Merkley	Asks about legal sufficiency review process.
260	Nessly	Explains sufficiency exemptions review.
288	Rep. Merkley	Expresses importance of complying with public procurement provisions.
295	Petty	Continues analysis of sections 58-60.
345	Chair Close	Asks about costs for agency for examinations.
348	Petty	Explains costs. Continues analysis of sections 61.
411	Chair Close	Asks about language regarding negative action affecting awarding contracts.
420	Petty	Explains that it is for broad discretion.
424	Chair Close	Asks for legal clarification.
430	Nessly	Offers clarification.
464	Rep. Schaufler	Asks about standards for disbarment.

**TAPE 17, A**

002	Harris	Explains how disbarment proceedings would occur.
011	Petty	Explains criteria for disbarment.
029	Harris	Offers further clarification of disbarment criteria.
050	Chair Close	Closes public hearing on HB 2341. Adjourns meeting at 10:32 am.

**EXHIBIT SUMMARY**

**none submitted**