

D R A F T

SUMMARY

Requires state contracting agency to provide in specifications for procurement and in public contract that contractor or supplier must use corrugated cardboard pallets in transporting, distributing, storing or otherwise transferring goods and to require contractors and suppliers to have similar requirements in contracts with common carriers and other third parties. Specifies exceptions.

Becomes operative January 1, 2017.

A BILL FOR AN ACT

1
2 Relating to using corrugated cardboard pallets in state goods procurement;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2016 Act is added to and made a part**
6 **of ORS chapter 279A.**

7 **SECTION 2. (1) In procuring goods for a public contract a state**
8 **contracting agency shall specify in all procurement documents and**
9 **require in the public contract that:**

10 **(a) A contractor or supplier must use corrugated cardboard pallets**
11 **to transport, distribute, store and otherwise transfer the goods; and**

12 **(b) The contractor or supplier must require any common carrier or**
13 **third party with which the contractor or supplier contracts to use**
14 **corrugated cardboard pallets to transport, distribute, store or other-**
15 **wise transfer the goods.**

16 **(2) A state contracting agency shall use corrugated cardboard**
17 **pallets to transport, distribute, store or otherwise transfer goods to**
18 **or for other state contracting agencies.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **(3) Subsections (1) and (2) of this section do not apply if:**

2 **(a) Corrugated cardboard pallets cost more than alternatives. In**
3 **comparing the cost of using corrugated cardboard pallets with the cost**
4 **of using alternatives, a state contracting agency shall consider:**

5 **(A) Occupational safety costs and benefits for each type of pallet,**
6 **including any differences in rates of freight handling injuries;**

7 **(B) Any operational efficiencies that come from using each type of**
8 **pallet;**

9 **(C) Any savings that result from purchasing, leasing or otherwise**
10 **acquiring each type of pallet;**

11 **(D) Any savings and environmental benefits that result from recy-**
12 **cling and disposing of each type of pallet; and**

13 **(E) Any differences in the weight of each type of pallet that reduce**
14 **fossil fuel use or yield other environmental benefits, such as a re-**
15 **duction in carbon emissions; and**

16 **(F) Any savings from reduced damage to products that results from**
17 **using corrugated cardboard pallets for transporting or storing the**
18 **products instead of using pallets made from other materials.**

19 **(b) The contractor, supplier, common carrier, third party or state**
20 **contracting agency transports, distributes, stores or transfers the**
21 **goods under conditions that are subject to prolonged inclement**
22 **weather or under circumstances in which using a corrugated card-**
23 **board pallet in a way that is inconsistent with the pallet**
24 **manufacturer's recommendations might cause injury or damage to the**
25 **goods or to property.**

26 **(4) The Attorney General and the Oregon Department of Adminis-**
27 **trative Services in model rules adopted under ORS 279A.065 may spec-**
28 **ify:**

29 **(a) Methods and considerations in addition to the considerations**
30 **specified in subsection (3)(a) of this section that state contracting**
31 **agencies may use in comparing the costs of using particular types of**

1 pallets; and

2 (b) Standards and specifications for corrugated cardboard pallets
3 that meet the needs of state contracting agencies to transport, dis-
4 tribute, store and otherwise transfer goods in connection with public
5 contracts.

6 SECTION 3. Section 2 of this 2016 Act applies to procurements that
7 a state contracting agency advertises or otherwise solicits or, if the
8 state contracting agency does not advertise or solicit the procurement,
9 to public contracts into which the state contracting agency enters on
10 or after the operative date specified in section 4 of this 2016 Act.

11 SECTION 4. (1) Section 2 of this 2016 Act becomes operative on
12 January 1, 2017.

13 (2) The Attorney General, the Director of the Oregon Department
14 of Administrative Services and a state contracting agency that adopts
15 rules under ORS 279A.065 may take any action before the operative
16 date specified in subsection (1) of this section that is necessary to en-
17 able the Attorney General, the director or the state contracting agency
18 to exercise, on and after the operative date specified in subsection (1)
19 of this section, all of the duties, functions and powers conferred on the
20 Attorney General, the director or the state contracting agency by
21 section 2 of this 2016 Act.

22 SECTION 5. This 2016 Act takes effect on July 1, 2016.

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