



Service Employees International Union, Local 503, OPEU

Co-Chair Hunt, Co-Chair Bentz, members of the committee, my name is Katie Kroenlein Hubler. I have been with the Oregon Department of Transportation for nearly 10 years and I am member of SEIU local 503. I am here today to testify in support of HB 4129.

The 2009 Jobs and Transportation Act (JTA) required ODOT to undertake a 6-year pilot project to contract out the maintenance of a 10 to 30 mile section of highway. ODOT submitted a report to the legislature last May summarizing the project to date.

The report highlights several areas of concern with the project, beginning with cost. Once the section of highway was selected, the contractor submitted an initial bid for \$1.2 million per year to maintain a 26-mile segment of OR 219. ODOT's average cost to provide the same maintenance on the same section of highway for the same duration of time had been \$200,000.

According to the report, during ODOT's review of the contract proposal, staff noticed the contractor's didn't have the equipment needed to do the job and had to purchase costs seemed to be high based on the need to purchase equipment and materials, provide facilities, as well as risk assessments of the unknowns.

ODOT and the contractor agreed not to use performance-based contract payments for at least the first year, which is the industry accepted standard. They instead agreed to use the goals and objectives identified in the contract as a guide, but to pay based on work performed, regardless of quality of work product.

ODOT worked with the contractor and was able to get the first year costs down to \$700,000 for maintenance of the section of highway.

In addition to costing ODOT \$500,000 more to contract out this section of highway, this pilot project has drained significant time and resources from the agency and staff.

According to the report, ODOT has invested a considerable amount of time training the contractor about highway maintenance practices, and has been contacting them as needed to ensure things are done properly and on time.

Why are we paying a contractor \$500,000 more to complete work that can be done in-house by highly trained maintenance crews already employed by ODOT? In addition, why are we then dedicating additional staff time and resources to help the contractor do the job they have been hired to do?

I urge your support of HB 4129 to remove the legislative mandate on ODOT to participate in this pilot project. I would like to further request that you consider advising ODOT to end this contract and use those funds for other projects such as paving and repairing highways through out the state.