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January 31, 2014

Honorable Margaret Doherty, Chair and Representatives Brent Barton and Bill Kenemer, Vice Chairs
Members of the House Committee on Business and Labor
Oregon State Legislature
900 Court St., N.E.
Salem, Oregon 97301

RE: House Bill 4119

Dear Chair Doherty and Members of the Committee:

The Medford Water Commission is opposed to HB 4119. While we recognize that this bill is a slight revision of last year's SB 644, it *still* is not in the best interests of the Commission to extend the Qualifications-Based Selection (QBS) process to procurements under \$100,000. Direct procurement as it stands under current law has given the Commission its last remaining measure of flexibility for procuring engineering services, without which we face the following consequences:

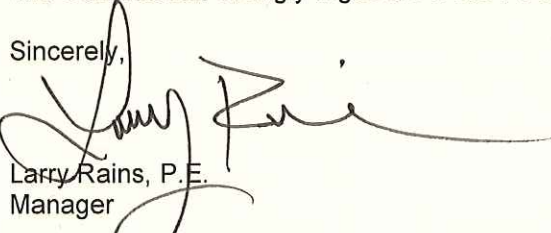
- **Restrictions on responsible expenditures of public money**
Municipal water utilities formulate their budgets carefully and are charged with performing due diligence in making wise procurement decisions. We need the discretion to consider cost as a factor in evaluating proposals for small engineering design projects. Without knowing costs, we will not be able to ensure that we are providing the best value for our customers and rate payers.
- **Added inefficiencies for local governments**
With the additional staff time required, the Commission has been unable to determine if there have been any cost savings from implementation of the QBS process.
- **Negative impacts on local businesses**
The expertise of global and regional engineering firms is not required for waterline design work. Small, well-qualified firms in Medford deserve a chance to compete.

It is our understanding that the League of Oregon Cities has recommended that the legislature use caution in considering modifications to public contracting law during this short session, both due to the complexity of the issues and the potential time constraints on public response.

We hope that the committee takes the time to truly understand the impacts of the QBS process on local government, and realizes that there was **significant opposition** to this bill during the last session. All interested parties should have the opportunity to comment again.

The Commission strongly urges a **DO NOT PASS** on this bill.

Sincerely,


Larry Rains, P.E.
Manager

c: Senator Alan Bates, 900 Court St., NE, S-205, Salem, OR 97301
Representative Sal Esquivel, 900 Court St., NE, H-483, Salem OR 97301

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