



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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February 18, 2015

Senator Michael Dembrow, Chair
Senate Workforce Committee
900 Court St. NE, Hearing Room C
Salem, Oregon 97301

MEASURE: SB 414
EXHIBIT: 23
SENATE WORKFORCE
DATE: 2/18 PAGES: 7
SUBMITTED BY: Fred Miller

Dear Chair Dembrow and Members of the Committee:

My name is Fred Miller and I'm the Chief Administrative Officer for the City of Portland. I am writing to you today to address concerns with SB 414, which would allow employees or their bargaining unit to sue local governments if they disagreed with a local agency's decision to contract out for services.

The City of Portland contracts out for services such as refuse hauling, parking garage management, banking, and merchant card services. We have addressed the issue of contracting out with our local union partners through the collective bargaining process. Disputes on issues of collective bargaining are resolved by the Employment Relations Board (ERB), not in the courts. We are concerned that this legislation will undermine the agreement established in our union contracts by allowing the courts to decide issues currently reserved to the ERB. This will add new costs and delays to the local procurement process and slow the delivery of important public services.

We are also concerned with language in the bill that requires contracting agencies to estimate the profit the potential contractor would realize. This is not something that the City of Portland could comply with because contractors and vendors do not reveal their profit margin to their competitors or to the City.

Finally, we are concerned with the requirement that contracting agencies issue requests for information or quotation before advertising a procurement in order to obtain information to conduct the cost analysis. This requirement would create a cumbersome process prior to the actual procurement process that would result in significant delays.

We are open to working with the bill's sponsors to address these issues.

Sincerely,

Fred Miller, Chief Administrative Officer
City of Portland, Oregon

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