

February 27, 2017

Senate Business and Transportation Committee
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Dear Senator Beyer:

I am writing to urge your opposition on SB 382.

My engineering company is a small DBE and MWESB firm based in Beaverton, and employs 3 engineers. We have been in business since 2012 and work almost exclusively on public agency projects as a subconsultant to larger firms.

As a former public agency employee that managed capital projects, my personal experience confirms that qualifications based selection (QBS) projects are better for the taxpayer, the project owner and the design and construction teams. We believe that QBS results in higher quality designs at a fair price, reducing construction costs and claims, and thereby reducing the overall project costs.

Our small business concerns:

- SB 382 would drastically reduce the number of projects where QBS would be used to hire the design team by allowing price bidding of professional services.
- Small businesses such as ours have limited capacity due to our size. Through QBS we are able to be on many teams for the same project, and in different roles depending on the needs of the prime consultant. This allows our firm to grow.
- Pricing of professional services is a significant and unpaid effort. Under price bidding, we simply would not be able to pursue teaming on as many projects, limiting our growth and hiring.
- Under price bidding, prime consultants might reduce their team's estimated fees to "win" the work, and then pressure their subconsultants to accept the slashed pricing. This can result in reduced quality or design omissions, increasing risk to all.

Other key points:

- Price bidding of professional services goes against the policy of the American Public Works Association (APWA) which is the largest and most recognized professional group of public works professionals in America. APWA policy states that QBS results in better projects from design through construction.
- Price bidding the design portion of projects may appear to result in a lower design fee, but does not guarantee the actual design fee (after contract negotiation or change orders) would end up being the lowest, or even guarantee a lower overall project cost.
- The significant and unpaid effort for price bidding will increase allowed overhead expenses in accordance with the Federal Account Regulations (FAR), thereby unintentionally increasing hourly design fees for public projects across the board.
- QBS creates a positive partnership between the owner and the designer. This is best for Oregon taxpayers.
- QBS is proven, not a new untried procurement process. SB 382 decimates a proven best practice for procuring design professionals.
- We endorse an ongoing educational effort with state and local governments regarding the value of QBS.

Thank you for your consideration of our position on SB 382. It is important for Oregon's limited and valuable public works funding that we select design professionals in the manner that best serves the public interest. Qualifications based selection is proven and should be the procurement process for all publicly funded Oregon projects. Please oppose SB 382.

Sincerely,



Tina Adams, PE, President