

February 28, 2017

*** VIA EMAIL ***

The Honorable Senator Lee Beyer
Senate Business and Transportation Committee
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

Subject: Senate Bill 382

Dear Senator Beyer:

I am writing to urge your opposition on SB 382.

Akana is a professional consulting firm which employs over 60 employees nationwide, over 30 of which are based in Oregon. We provide engineering design, construction management, and environmental consulting services and have been in business since 1990. We work primarily for municipal, state, and Federal government clients that include the City of Portland, TriMet, Metro, and the Oregon Department of Transportation.

Qualifications based selection (QBS) is very important to the success of our company. Because our construction management and environmental consulting businesses are not covered by QBS, we have witnessed firsthand the "race to the bottom" that has resulted in those fields and that would result in the engineering design field when cost is prioritized over project quality and success. Without QBS, low bid contract awards are made to unqualified firms that cannot actually perform the work. In order to reduce their costs, these firms pass the cuts on to their employees, paying substandard wages with no benefits. Oftentimes, these firms staff the projects with "independent contractors" instead of regular employees, with questionable compliance with state and Federal labor laws. In addition, low bid awards from unqualified firms often are not responsive to the scope of work, resulting in the need for change orders and ultimately higher project cost.

Our experience has confirmed that QBS projects are better for taxpayers, project owners, and the construction team. QBS leads to a better overall project to optimize life cycle project cost and to minimize disputes and litigation.

SB 382 will drastically reduce the number of projects where QBS will be used to hire the design team. Design costs oftentimes comprise 10 to 15 percent of total project construction cost. The changes in SB382 would mean that the design work for most projects under \$5 million would not be selected using QBS. This goes against the policy of the American Public Works Association which is the largest and most recognized professional group of public works professions in America. APWA policy states that QBS results in better projects from design through construction.

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.

Thank you for your consideration of our position on SB 382. We endorse an ongoing educational effort with state and local governments. 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.

Respectfully,



Herb Fricke, PE
President



Timothy J. Oliver, PE
Vice President



Paul E. Kluvers, PE
Vice President

