



February 28, 2017

Senator Lee Beyer, Chair
Senate Committee on Business and Transportation
900 Court St. NE
Salem, OR 97301

RE: Support for SB 382

Dear Chair Beyer and Members of the Committee:

My name is Elaine Baker and I'm the Purchasing Manager for the City of Hillsboro. I'm writing today to offer my strong support for SB 382. That bill combined with the amendments make modest changes to Oregon Law to provide needed flexibility to local governments in the procurement of professional services.

I've been working in public finance and procurement for many years, both before HB 3316 (2011) brought mandatory Qualification Based Selection (QBS) to local governments and in the years after, so I have practical experience procuring professional services with and without the mandate. QBS is a procurement procedure codified in *ORS 279C.110* that requires public contracting agencies to select consultants providing architectural, engineering, photogrammetric mapping, transportation planning or land surveying services on the basis of qualifications for the type of professional service required. Put differently, public contracting agencies **cannot consider price** as a factor in selecting a firm for professional services.

I know all sides of this issue agree that the goal is to deliver quality projects that represent the best overall value to the public. We disagree, however, that mandatory QBS always accomplishes that goal. This is especially true for straight-forward small and medium sized projects.

There are several main problems with mandatory QBS that this committee should consider. First, under mandatory QBS, public works and procurement professionals have no ability to determine best overall value since any consideration of price, or comparison of price between bidders, is off the table prior to selection. It puts us in the awkward position of having to explain to city leadership and our councils how we are certain the contract we signed is the best deal for the community.

Second, if we can't arrive at a price agreement with a winning firm, then we have to go to the next most qualified firm. This means starting discussions and negotiations from scratch, which adds time and costs real dollars. Sometimes public contracting agencies spend this time only to find out the second firm is more costly than the first, and current law prohibits agencies from re-engaging the first firm. Even the possibility of this happening is enough to cause local governments to settle on a higher price than they might like with the first firm.

Third, I believe mandatory QBS disadvantages small firms in competing for public contracts. When public contracting agencies are required to select the most qualified firm, the large firms have an advantage because they often have the most resources and experience.

I'd frankly be less concerned with the problems I highlighted above if mandatory QBS actually produced better quality projects. Although it can be useful for large, highly specialized and complex projects, my job is to ensure the City of Hillsboro is delivering the highest quality projects, designed and built by top notch professionals, at the best overall value to the community. I believe price has a role to play in that equation.

For those reasons, I respectfully urge your support for SB 382.

Sincerely,

A handwritten signature in cursive script that reads "Elaine Baker".

Elaine Baker
Purchasing Manager
City of Hillsboro