

February 8, 2018

**Re: Opposition Letter to HB 4127**

The Honorable Chair Paul Holvey and members of the House Business and Labor Committee,


**Vote NO on HB 4127**  
**No Bidding of Design Services**

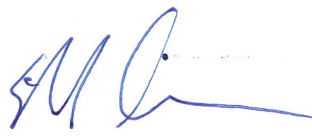
I am writing to urge your strong opposition to HB 4127. Akana is a Native American owned minority and disadvantaged consulting engineering business with 70+ employees. We were founded and have been in business in Portland since 1990. We strongly oppose price-based bidding of engineering services and urge you to oppose HB 4127.

As a small business that derives a majority of our business from government agencies, we can attest that when price is a factor the race to the bottom begins, oftentimes at the expense of project quality. Although supporters of the bill may argue that Qualification Based Selection (QBS) selection will still be allowed, given the option, a government agency will always select services based on price. The only exceptions are those agencies that have learned the hard way that price-based selection of engineering services is a flawed process.

Price based selection puts small firms like Akana, where we offer competitive salary and benefits packages, at a disadvantage. Low price selection favors very large businesses that can spread the costs of doing business amongst more employees or who can export the work using employees located in states outside of Oregon with a lower cost of living. Low price selection also favors those businesses that offer little or nothing in the way of paid time off, health care insurance, or other benefits.

Sincerely,  
Akana

  
Herbert J. Fricke, PE  
President

  
Timothy J. Oliver, PE  
Senior Vice President