



City of Roseburg

February 9, 2018

Chair Representative Holvey
Members of the House Business and Labor Committee

Subject: HB 4127 testimony City of Roseburg

The City of Roseburg has utilized a number of selection processes outlined by statute. We currently spend in excess of \$1 million on consulting professionals annually to carry out our adopted capital improvement plans. We work with local consultants when practical within the current statutory framework. Generally, southern Oregon consultant billing rates run between 25% and 45% lower than metro area consultants. The QBS process, which does not allow us to consider the overall cost of professional service delivery up front, invariably eliminates many local consultants on the basis of size and scope of the team that can be put together even though local consultants may be qualified to do the work.

The City has successfully utilized the QBS process to retain very highly qualified consulting teams, but it is very difficult to continually ask our elected officials to approve out of region consultants that we know cost more in order to comply with existing statutes. From a local economic development and a financial management standpoint, we strive to deliver projects in the most efficient manner considering the quality and the cost of the products we are paying for. If there are highly qualified less costly options for consulting services locally or regionally, our elected officials would like to utilize them within a statutory framework.

We have also experienced less success when utilizing selection processes that do not consider price during the initial proposal process. Roseburg went through a process about five years ago to select a consultant and negotiate a contract to design a complex roadway/storm system project. We worked with the consultant through multiple design phases before the contract was terminated. We then went through an additional selection process over a year later. After that QBS process, we negotiated a new contract. Much of the design work had to be redone. Total timeline for project design

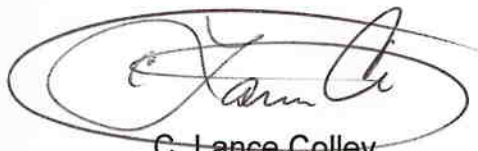
ended up being over three years instead of one to two years. There was a financial and a community impact. Technically both consultants were qualified but, the additional months of advertising, consultant selection and negotiating work scopes and costs added over a year to the project timeline in addition to the much longer consultant design project.

We recently utilized a QBS process for traffic engineering analysis. We received two proposals. We selected the "most qualified" proposer and negotiated the scope of work and price over approximately 45 days. We then executed contract and the contractor failed to perform on the full contract. We then contacted the second proposer who entered into a contract to finish the work for substantially less cost and less time. The process extended the time necessary to complete the project. If price had been an initial component, we would have selected the second "qualified" consultant initially. Project completion was delayed over six months and cost 20-25% more than the second contractor would have charged.

We recently utilized the QBS for an airport master plan consultant as required by the federal process. Five qualified consultants requested information. Four did not return proposals. They indicated the since we had a capital project engineer under contract that they did not believe any other consultant would be considered the "most qualified" since we were currently working with a consultant and they had extensive current knowledge of airport and operations. While we did enter into an agreement with the current contractor, the process significantly impacted our "competition".

Local government is continually attempting to stretch local resources to meet the demands in our community. Statutes require that we award construction projects to the lowest responsible bidder. Providing this flexibility in HB 4127 will allow agencies to combine that with reasonable cost professional consulting services to deliver cost effective projects throughout the State of Oregon.

Thank you for your consideration of this information.



C. Lance Colley
City Manager