



February 9, 2018

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

Regarding: Vote NO on HB 4127 – No Bidding of Design Services

I am writing to urge your strong opposition to HB 4127.

Our firm has 220 employees and has been in business in Oregon since 1982. We strongly oppose price bidding of engineering services and urge you to oppose HB 4127.

PBS is an Oregon corporation with offices in Oregon and Washington. We have been providing professional services in both states for 35 years. As a professional consulting firm, it is our strong belief that our qualifications and depth of our experience and knowledge are of the highest value to our clients. During our time in business, we have built our reputation on our ability to provide the highest value services to our clients. Part of this service is to complete work product that is of the highest quality and works to solve our client's individual needs. We understand that part of our service is to preserve our client's limited resources, including their available budget. As such, we have succeeded in developing "clients for life", where we are an essential part of their team, and we enjoy great trust from them that we will do our utmost to provide the best quality service, at the highest value to them.

HB 4127 allows bidding of design services which is a major step backwards for Oregon taxpayers and our limited and inadequate funding for public works projects and it goes against the long-standing Qualification Based Selection (QBS) procurement methodology. QBS is supported by the American Public Works Association, the American Bar Association and many other organizations in the built environment.

HB 4127 threatens an efficient delivery of the 2017 transportation package. Oregon cannot afford another government debacle when spending taxpayer funds.

HB 4127 is a clever bill draft that allows QBS or bidding. We anticipate that the bidding option will make QBS obsolete by many agencies.

HB 4127 is a solution to a yet unidentified problem. Defeat this bill and let's discuss the issue in detail.

HB 4127 threatens billions of dollars in public infrastructure investment. This is a "stepping over dollars to pick up pennies" mentality.

HB 4127 allows all government entities in the state to use either traditional QBS or a bidding process that pits up to five firms against each other to guess at the project scope and appropriate fees to design the project. Getting five bids is a major waste of time, money and has the potential for delay, confusion and extra costs for all involved. And, by allowing two different procurement options, it is fair to assume that most projects will be bid and possibly low bid.

The American Council of Engineering Companies is committed to working with our local government clients and their advocates during the interim prior to the 2019 legislative session to do a deep dive on the QBS process. We could discuss real projects and how the QBS process helped or potentially hurt the design, construction and life-

Honorable Chair Paul Holvey and members of the House Business and Labor Committee
Vote NO on HB 4127
February 9, 2018
Page 2 of 2

cycle of the project. We believe the issue is too nuanced to find a common resolution during the short and frenetic 2018 session.

ACEC Oregon asks the House Business Committee and the legislative leadership to appoint a task force on the issue where all sides can discuss the issue in a setting that will lead to a much better understanding of what the current law allows and then possible legislation or other solutions for the 2019 legislative session.

Please feel free to contact me at 503.417.7595 or guy.neal@pbsusa.com with any questions or comments.

Sincerely,

Guy M. Neal, PE
President