



Testimony to the
Senate Committee on Judiciary in Support of SB 848

February 23, 2023

Good afternoon Chair Prozanski, Vice Chair Thatcher and members of the Senate Committee on Judiciary. For the record, my name is Ron Vandehey representing Miller Consulting Engineers, Inc. (MCE) a small structural engineering firm privately owned and operated for the past 45 years. We have been in business in Oregon since 1978 and employ 26. I am writing today to strongly support Senate Bill 848.

Oregon's engineers, architects and land surveyors care deeply about our communities, which is why we invest in our local economy, creating jobs and housing for Oregonians. Right now, we are being forced into unfair contracting practices called "duty to defend" clauses, which require us to pay the legal expenses for those involved in construction projects even before fault is determined. This is detrimental to all design firms but especially women, minority and emerging small businesses. Because engineers, architects and land surveyors are being forced to shoulder all the legal liability and legal expense far beyond what they're able to get insured for, fewer projects are being designed and built in our communities. This includes low-income public housing to help address Oregon's homelessness crisis.

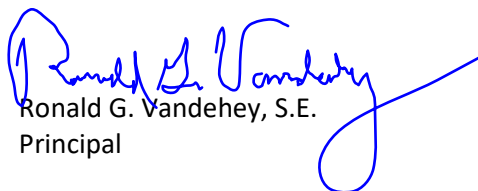
Our firm's experience with duty to defend has been painful. After putting the work into a proposal and being selected as the most qualified firm to do the work we end up either risking our company long existence by signing a duty to defend clause in the contract, or not signing the contract allowing a less qualified firm to do the work. In other cases this year we are not allowed to submit our proposal unless we are willing to sign a duty to defend clause.

We respectfully ask this committee to support SB 848. Passing this bill would eliminate bad and unfair contract practices and ensure everyone involved in a project pays their fair share of legal expenses. This isn't about shirking responsibility – it's about ensuring fairness so everyone is paying their own way and adequately protected by their insurance.

Thank you for your service and we are happy to be a resource if you have additional questions.

Sincerely,

Miller Consulting Engineers, Inc.

A handwritten signature in blue ink that reads 'Ronald G. Vandehey'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Ronald G. Vandehey, S.E.
Principal