

Tim Rosener - Sherwood City Councilor
22610 SW Pinehurst Drive
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House and Business Labor Committee
Salem, Oregon

Dear Chair Holvey and Members of the House and Business Labor Committee

I am writing this letter as a council member for the City of Sherwood Oregon in support of House Bill 4127.

Before seeking political office, I spent the majority of my career selling products and services to state and local governments in thirty-seven states. I am very familiar with a variety of procurement processes and how vendors maximize the system.

The current process of requiring agencies to select a vendor solely on qualifications and then proceed to negotiate price is flawed on several fronts:

1. From experience, I can tell you that vendors use this practice to inflate margins on a given contract. This occurs because they know they are not competing on price once they are selected. Additionally, the agency is not motivated to move to the next "qualified" vendor due to time constraints and the staff costs associated with starting negotiations with the next vendor in line. Staff costs can be significant in these cases, even an agency that is doing its best to manage costs and run a fair process will look at the staff time and not move to the next candidate when evaluating a proposal. Vendors know this and adjust their pricing accordingly.
2. Secondly, the current process smothers competition and tilts the scales in favor of established vendors. This makes it difficult for a startup that has a fresh approach and innovative ways of delivering products and services to break into some of these markets.

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While this legislation will not fix all of the challenges with the government procurement process, it is a step in the right direction. Once a vendor knows that there are up to four other qualified vendors competing with them on price, their pencils will get very sharp. It also increases the odds that an innovative startup will be in the mix.

Support HB 4127.

Sincerely,

Tim Rosener - Sherwood City Councilor

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