



The League of Oregon Cities, Association of Oregon Counties, Special Districts Association of Oregon, and Oregon School Boards Association appreciate the opportunity to express our support for HB 4127 and the -1 amendments. The bill will help to alleviate some of the concerns we have heard related to the mandated use of qualification-based selection (QBS) for the procurement of “professional services” including engineering, architectural, photogrammetric, land surveying and transportation planning.

**This legislation does not eliminate qualification-based selection in Oregon.** Rather, the language in HB 4127 provides an alternative selection process that can help government entities ensure qualifications first, but then allows for the consideration of the best overall value and use of public dollars.

For well over a year, local governments have been working closely with the American Council of Engineering Companies (ACEC) and have had numerous conversations with the American Institute of Architects – Oregon Chapter and Professional Land Surveyors of Oregon. We have been working with these parties to discuss concerns we have heard regarding the current QBS process and to try to find reasonable solutions. The League of Oregon Cities introduced legislation during the 2017 legislative session (SB 382) to begin a conversation and encourage stakeholders to sit down and talk through challenges and practical solutions. While the conversations during the 2017 session were informative for both sides, it has become clear after nearly 20 hours of meetings between interested parties that there is not a shared willingness to adjust the currently mandated QBS process.

Some of the concerns local governments have expressed regarding the QBS process include:

- **Time-consuming, linear process:** The existing QBS construct is an inflexible, linear process. It requires contracting agencies to rank firms based on qualifications only, open negotiations with the top-ranked firm, attempt to come to an agreement on pricing information, and either come to a workable agreement or terminate that negotiation to move on to firm B. We have heard that negotiations typically take 6-8 weeks. This process consumes a considerable amount of public resources, including staff time, and is a concern especially when public bodies have time lines for getting public projects completed. Nothing in the current QBS process prevents a contracting agency from going through the process until they get to the least-qualified/last-ranked firm. In contrast, HB 4127 provides an alternative option that guarantees a qualified firm will be hired while also moving away from the linear process mandated under current law
- **Lack of Transparency & Accountability:** The current QBS process can put procurement professionals in a difficult position. Staff can only say that they hired the most qualified firm but

they are limited in their ability to ensure that the selection resulted in the best overall value and use of public dollars.

We support HB 4127, and the -1 amendment, for the following reasons:

- **Maintains Qualifications-First Approach:** The bill requires a qualifications-first screening process. Pricing information can only be considered after firms are selected based on qualifications alone.
- **Increased Accountability & Transparency:** The bill provides contracting agencies with additional information earlier in the process, so they can make better-informed decisions and be better stewards of taxpayer dollars.
- **Flexibility:** The alternative path outlined in HB 4127 is optional for those public contracting agencies who want to use it. If a contracting agency finds that the existing process, as required in statute, is working for them, HB 4127 will not require them to update local contracting rules and processes. This provides flexibility and avoids costs associated with a required update of local contracting rules.
- **Streamlined Process:** The new alternative process, established in HB 4127, closely mirrors the current process. The only change is that rather than ranking the firms and working one at a time in a linear fashion, contracting agencies can streamline that process to select from a pool of qualified candidates.

We have heard arguments that HB 4127 is a low-bid model and eliminates qualification-based decisions. We respectfully disagree with that argument.

HB 4127 strikes a reasonable compromise that maintains a quality-over-price model, but that also recognizes the importance of **overall-value, increased transparency and the responsible use of public dollars.**