



## Eugene Water & Electric Board

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### **EWEB Supports HB 4127**

Thank you for the opportunity to share as a public agency our perspective on the Qualification Based Selection (QBS) process for certain professional services. The Eugene Water & Electric Board (EWEB) is a municipal utility, Oregon's largest customer-owned electric and water utility. EWEB has an annual budget of just over \$300 Million. Last year we issued 55 Engineering Contracts at around \$3.1 Million.

Although this may seem small compared to some larger agencies, it is a significant amount of work for our team and is the first step in many capital improvement projects critical to providing clean, affordable and reliable water and electricity. Project examples include redesign of a water treatment disinfection system, design for improvements to a potable drinking water reservoir, hydraulic modeling services, and structural changes to our hydroelectric facilities.

The revisions to QBS proposed in HB 4127 align with the State of Oregon's Public Contracting Code that provide guidelines for Public Procurement. ORS 279A.015 states that a sound and a responsive public contracting system should:

1. "**Simplify**, clarify and modernize procurement practices so that they reflect the marketplace and industry standards." (Emphasis added)

Within ORS rules 279C there are many rules that are unique to Engineering Services, these rules define unique thresholds and processes that complicates rather than simplifies the process.

2. "Promote efficient use of state and local government resources, **maximizing the economic investment in public contracting within this state.**" (Emphasis added)

QBS does not maximize the economic investment in public contracting, as we are limited in reviewing pricing to consider overall value during the selection process.

3. "Allow **impartial and open competition**, protecting both the integrity of the public contracting process and the competitive nature of public procurement. **In public procurement meaningful competition may be obtained by evaluation of performance factors and other aspects of service and product quality, as well as pricing, in arriving at best value.**" (Emphasis added)

The current QBS process does not encourage competitive pricing or allow for procurement staff to consider best value. The proposed bill reintroduces competition in the procurement process while verifying that only those that are determined to be qualified will be considered for award.

Last year EWEB staff attended several meetings organized by local governments exploring changes to QBS, including a meeting that included engineering firms. Where the public agencies offered several options including revised thresholds and determining qualifications first, following with pricing, the engineering firms did not offer alternatives to the existing process.

*Rely on us.*

EWEB staff understood their position to be based on concerns about awarding contracts based on low-bid, efforts related to preparing pricing for a project, and efforts to prepare an accurate proposal when the project scope may not be finalized. EWEB believes HB 4127 is a reasonable approach to revising QBS that could meet the concerns raised by public agencies as well the concerns that we have heard from firms that provide the professional services QBS applies to. Only qualified offerors would be considered for award, only strong candidates for award would be required to prepare pricing calculations, and the public agency could work with the finalist firms to refine the scope of work. The proposed changes will meet both the public agency and the engineering firm's needs, to select a qualified firm with a competitive price. Thank you for considering EWEB's perspective and our support for HB 4217.

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