

HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

January 26, 2001
3:30 PM

Hearing Room 50
Tapes 7 - 10

MEMBERS PRESENT: Rep. Bill Witt, Chair
Rep. Betsy Johnson, Vice-Chair
Rep. Tim Knopp, Vice-Chair
Rep. Alan Bates
Rep. Alan Brown
Rep. Richard Devlin
Rep. Jerry Krummel
Rep. Laurie Monnes Anderson
Rep. Vicki Walker

MEMBER EXCUSED: Rep. Janet Carlson
Rep. Bill Garrard

STAFF PRESENT: Dan Clem, Committee Administrator
Sara Noble, Committee Assistant

MEASURE/ISSUES HEARD: HB 2053 – Public Hearing
HB 2052 - Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 7, A		
004	Chair Witt	Calls the committee to order at 3:30 p.m.
006	Dan Clem	Committee Administrator. Gives overview of agenda for next several weeks.
021	Chair Witt	Opens a public hearing on HB 2053.
<u>HB 2053 – PUBLIC HEARING</u>		
029	Clem	Gives background information on HB 2053.
037	John Killin	Special Districts Association of Oregon. Submits written material (EXHIBIT A) and gives support of HB 2053.
084	Rep. V. Walker	Asks if the statement “HB 2053 largely reflects the work group’s agreements” indicates that there are some that are still not resolved.
087	Killin	Responds that because he was not on the work group committee he was hesitant to say that it fully reflected their intentions.
090	Bill Penhollow	Association of Oregon Counties. Submits written testimony (EXHIBIT B) and testifies in support of HB 2053 with a request for an amendment.
158	Chair Witt	Asks is it correct that with the proposed amendment other entities could purchase off that contract in terms of product, prices and conditions. Asks if any consideration has been given to what this bill would do to local venders of products. Expresses concern with how this could undercut local businesses.
171	Penhollow	Replies that would be correct if that contract was entered into in

		a competitive bidding process consistent with Oregon's law. Explains that this would provide other purchasing options. Responds that situation would exist and explains.
211	Cameron Birnie	Administrator, Oregon Department of Administrative Services (DAS). Submits written material (EXHIBIT C) and gives support of HB 2053.
240	Mark Williams	Oregon Department of Justice. Gives his support of HB 2053.
274	Chair Witt	References section G, line 17 asks that it would have to meet the bidding requirements for this chapter, but under section H that language is missing. Comments that in reality contracts that are approved would not necessarily be bid at all.
288	Williams	Responds yes and gives explanation. Responds that yes that would apply.
309	Becky Miller	Assistant Director, Oregon Taxpayers United. Expresses opposition to HB 2053.
365	Chair Witt	Clarifies that contract is not necessarily for construction but for fungible type products like computers, copiers, etc.
373	B. Miller	Responds that the language in the bill does not appear to distinguish between construction contracts or contracts for other items and continues with explanation.
TAPE 8, A		
004	Stuart Miller	Private citizen. Expresses opposition to HB 2053.
029	Rep. Devlin	Asks Ms. Miller if her objection would be the same for the existing law.
040	B. Miller	Responds that without reading the existing law she cannot comfortably answer the question, and then gives an explanation.
055	Chair Witt	Closes the public hearing on HB 2053, and opens the public hearing on HB 2052.
<u>HB 2052 – PUBLIC HEARING</u>		
060	Clem	Gives background information on HB 2052.
071	Larry Sitz	Chair, Legislative Committee, Associated General Contractors. States support of HB 2052 with revisions.
110	Jessica Harris	Associated General Contractors (AGC). Submits written material (EXHIBIT D) and gives support of HB 2052 with additional amendments.
204	Harris	Continues discussing written material.
262	Rep. Bates	Asks when a consensus can be reached.
270	Harris	Responds that AGC if directed by the committee would be able to be back within the next three weeks.
279	Rep. Johnson	Asks what form would you take to reach this consensus.
285	Harris	Responds that a work group would be very useful.
291	Chair Witt	Asks about the exclusion of functions from bill draft page 2 and why.
294	Harris	Responds with explanation on how this information was obtained.
334	Chair Witt	Asks about the complete categories that are excluded from that list such as road construction.
339	Harris	Gives an explanation.
371	Sitz	Gives additional information to Chair Witt's question.
383	Rep. Devlin	Asks if a work group could use an existing contract for comparison purposes, and what is the under lying benefit in the proposed bill.
394	Harris	Responds yes that would be an option, and the benefit is that it standardizes the process. Continues with explanation.

TAPE 7, B

027 Lyle Schellenberg President, Armadillo Underground and representative of Underground Utility Contractors of Oregon and Southwest Washington. States support of HB 2052.

062 David Douthwaite Vice President, J. E. Dunn Construction. Submits written testimony (**EXHIBIT E**) and testifies in support of HB 2052 with amendments.

107 John Killin Special Districts Association of Oregon. Submits written material (**EXHIBIT F**) and gives support of HB 2052.

145 Bob Shipwrack Oregon Building Trades Council. Indicates opposition to HB 2052 as it is written.

212 Rep. Johnson Asks if additional collaborative work groups could work out the problems with HB 2052.

222 Shipwrack Responds that work groups will help.

230 Chair Witt Asks if he is in support of a standardized form.

237 Shipwrack Responds he is in support of a standardized form.

248 Rep. Devlin Asks if a bill could be written to differentiate between the 16 divisions, and what is your view of the Construction Contractors Board (CCB) as an enforcement agency.

260 Shipwrack Responds that he is not sure. Notes that he is impressed with the progress that CCB has been making and explains.

295 Rep. Johnson Asks at the time the bid package was submitted why wouldn't a contractor know the sub's scope of work, and how does the 4 hour issue effect this bill when 4 hours does not become 4 hours (i.e. over the weekend).

305 Shipwrack Responds that he has asked that in the past. States that in the existing bill public agencies are required to open the bids no later than 12:00 noon on Friday.

332 Paul Phillips Represents the Electrical Contractors, Sheetmetal Contractors, Plumbing Contractors and Wallboard Bureau along with the Oregon State Building Construction Trades Council. Submits proposed amendments to HB 2052 (**EXHIBIT G and H**) and states both his support and opposition to various portions of HB 2052.

405 Rep. Krummel Asks if a subcontractor would submit a bid to a general just prior to the actual bid time, and whether the general contractor would want the bids returned from the subs a day or two in advance of the actual bid.

TAPE 8, B

002 Phillips Responds yes if they believe the bids could be shopped, and yes that is how they do it, but other contractors may disagree.

024 Chair Witt Asks would your clients be satisfied with a requirement that bids would have to be in by a certain time prior to the opening of the bid with a public agency.

034 Phillips Responds that yes there should be a set time.

048 Rep. Johnson Asks if you would be satisfied with the subs bid information to the general at a fixed time.

052 Phillips Responds with explanation of what they would like as the preferred method.

058 Chair Witt Asks if even that requirement was prior to the time the bid was due.

061 Phillips Responds no, that is the model that will get you into some difficulty.

070 Rep. Devlin States that it is his understanding that they do not want the

		legislature to predetermine the arrangement between the general and subcontractor.
082	Phillips	Responds that is why they want a set deadline.
086	Rick Thomas	Executive Director, Independent Electrical Contractors of Oregon representing the state's Merit and Open Shop Electrical Contracting Companies. Expresses support and opposition to portions of HB 2052.
122	Jim Markman	President, Markman Mechanical. Expresses support of the proposed changes submitted by Mr. Phillips to HB 2052.
160	Chair Witt	Notes that section 5 compliance would not require work to stop during the time the board was reviewing the complaint because it only mentions a penalty.
164	Markman	Responds that there is a need for some process.
175	Rep. Krummel	Asks about imposing a deadline for a bid and the need for self-policing.
184	Markman	Responds yes and gives an explanation.
205	Bill Sikora	Executive Director, Plumbing and Mechanical Contractors Association. Explains their support and opposition to HB 2052.
220	Richard Harvey	President, Interstate Mechanical Corporation, Inc. Expresses support and opposition to HB 2052.
238	Douglas Aljets	President, Keizer Electric. Expresses support of the original bill and describes his opposition of HB 2052.
272	Dale Goin	Representing National Electrical Contracts Association, and General Manager, Electrical Construction Company. States support on many of the issues of HB 2052 as it is written.
310	Chair Witt	Asks if it happens that in the 4-hour time period that a general asks a sub to reduce his price.
317	Goin	Responds yes and explains.
344	Stan Heil	Heil Electrical Company, and Co-Chair of the National Electrical Contractors Association (NECA) legislative committee. Explains opposition of 4-hour rule portion in HB 2052.
370	Chris Davis	Lobbyist and employee, Cement Mason Local 555. States opposition to HB 2052 and submits letters from various concrete subcontractors (EXHIBIT I) expressing opposition to HB 2052.
TAPE 9, A		
029	Tom Lindberg	Business Agent, Operating Engineers 701. States opposition to HB 2052.
045	Ron Murray	Representative, United Association of Plumbers and Steam Fitters of the United States and Canada Local 290. Gives explanation of his opposition to HB 2052.
085	Ken Keudell	Administrator, Construction Contractors Board (CCB). Submits written material (EXHIBIT J) and conveys the board's views on HB 2052.
114	Rep. V. Walker	Asks what the board does with the monies received.
118	Keudell	Responds that the statement references the monies that do not go into the general fund account and explains.
128	James Van Dyke	Attorney, City of Portland. Submits written testimony (EXHIBIT K) and testifies in support of HB 2052 with revisions.
193	Edward Charles	Executive Director, Associated Wall and Ceiling Contractors. Submits written material (EXHIBIT L) and expresses support of HB 2052.
213	Chair Witt	Clarifies that Mr. Charles would like to see his industry included

237	John Oshel	in HB 2052. County Road Program Manager, Association of Oregon Counties. Notes their opposition of bid shopping, and their support on HB 2052.
292	Rep. Monnes Anderson	Comments that she can see why there has not been a consensus and that HB 2052 shows some progress.
313	Pat O'Brien	General Contractor. Explains how HB 2052 will effect the contractors along with his opposition to HB 2052.
TAPE 10, A		
002	John Bradach	Construction Lawyer. Indicates his view on HB 2052.
033	Rep. Johnson	Requests a copy of the court ruling.
037	Chair Witt	Adjourns the committee at 5:55 p.m.

Submitted By,

Reviewed By,

Sara Noble,
Committee Assistant

Dan Clem,
Committee Administrator

EXHIBIT SUMMARY

- A – HB 2053, written material, John Killin, 1 p**
- B – HB 2053, written testimony, Bill Penhollow, 4 pp.**
- C - HB 2053, written material, Cameron Birnie, 2 pp.**
- D – HB 2052, written material, Jessica Harris, 4 pp.**
- E – HB 2052, written testimony, David Douthwaite, 1 p**
- F – HB 2052, written material, John Killin, 2 pp**
- G – HB 2052, -3 proposed amendments, Paul Phillips, 2 pp**
- H – HB 2052, -4 proposed amendments, Paul Phillips, 2 pp**
- I – HB 2052, written material, Chris Davis, 6 pp**
- J – HB 2052, written material, Ken Keudell, 1 p**
- K – HB 2052, written testimony, James Van Dyke, 7 pp**
- L – HB 2052, written material, Edward Charles, 1 p**